MONDAY SPORTS
PROST WINS GRAND PRIX
Page 13

International Herald Tribune

Published With The New York Times and The Washington Post

No. 33,400 29/90 ** PARIS, MONDAY, JULY 16, 1990 ESTABLISHED 1887

Algeria 6.00 Din. Iran 115 Rials Oman 1.000 Rials
Austria 23 S. Israel NIS. 3.50 Poland 15,000 Zl.
Bahrain 0.800 Din Italy 2,200 Lire Portugal 170 Esc.
Belgium 50 B.Fr. Jordan 1 JD Qatar 8.00 Riels
Cyprus C£ 1.00 Kenya Shs. 45 Rep. of Ireland .80 P.
Czechoslovakia 25 Kr Kuwait 500 Fils Saudi Arabia 7.00 R.
Denmark 12.00 D.Kr. Lebanon U.S.$1.10 Spain 165 Ptas.
Egypt E.P 3.250 Libya 1 Din. 0.80 Sweden 10.00 S.Kr.
Finland 9.00 F.M. Luxembourg 50 L.Fr. Switzerland 2.60 S.Fr.
France 8.00 F. Madeira 175 Esc. Tunisia 1.000 Din
Germany 2.80 D.M. Morocco 11.00 Dh. Turkey T.L. 3,200.00
Great Britain £0.70 Netherlands 3.00 Fl. U.A.E. 8.00 Dirh
Greece 200 Dr. Norway 10.00 N.Kr. U.S. Mil. (Eur.) $0.95
Hungary 100 Ft. Nigeria 10.00 Naira Yugoslavia 20 ND.

THE CONVERSE SERIALS DIVISION

A British Memo Stirs More Doubt on View of Germany

By Leigh Bruce
International Herald Tribune

LONDON — Prime Minister Margaret Thatcher's embarrassment over Britain's attitudes toward a reunified Germany and European union deepened Sunday with the publication of a confidential government memorandum that demonstrated deep suspicion about the German character.

Nicholas Ridley, the minister of trade and industry, who described moves toward EC unity as a "German racket designed to take over the whole of Europe" and likened the EC Commission to Hitler, resigned under pressure from all sides on Saturday.

His successor, Peter Lilley, a former financial secretary to the Treasury, is also skeptical about European unity and defends U.K. sovereignty, but political sources noted that Mr. Lilley does not have the seniority of his predecessor.

As a result, the Thatcher cabinet will probably swing toward relatively pro-European ministers, led by Foreign Secretary Douglas Hurd, Chancellor of the Exchequer John Major and Sir Geoffrey Howe, the deputy prime minister. Their ability to overcome Mrs. Thatcher's reservations, however, remains the subject of broad debate.

Some analysts expressed worry that the prime minister's deep skepticism about German reliability and about moves toward EC unity could prevent the resolution of government divisions. "I don't think we can expect her to pick up the torch," said one senior foreign policy expert. "That will have to be left to her successor."

Meanwhile, controversy was building over a top-level meeting that Mrs. Thatcher attended earlier this year.

The Independent on Sunday reprinted what it said was a confidential memorandum of a seminar held in March at Chequers, her country retreat, to brief Mrs. Thatcher on what to expect of a reunited Germany. It was also published by Der Speigel, the West German weekly magazine.

The memorandum, written by Mrs. Thatcher's foreign policy adviser, Charles Powell, cited German characteristics such as "angst, aggressiveness, bullying, egotism, inferiority complex, sentimentality."

But the conclusion was that Mrs. Thatcher should "be nice to the Germans."

In Bonn, Chancellor Helmut Kohl's government, which sharply attacked Mr. Ridley's statements, took the high road.

"We have to remember our own history," said Peter Peterson, a legislator in Mr. Kohl's Christian Democratic Union. "People will remember those years if we act in any way domineering. We have to become better Germans. And the British have to become better Englishmen for a united Europe."

With EC conferences on economic, monetary and political union due to begin in mid-December, the British government has little time to patch up its differences over EC policy and to reassert its influence on the debate, policy analysts and politicians said.

Although government circles were relieved that Mr. Ridley had stepped aside, Mrs. Thatcher's failure to dismiss him when his remarks became public on Thursday will complicate the government's problems, the experts said.

The deputy leader of the opposition Labor Party, Roy Hattersely, reflected the fears of many when he said that Mrs. Thatcher's "vacillation has already harmed our reputation abroad and fueled the suspicion that privately she agrees with what Mr. Ridley said."

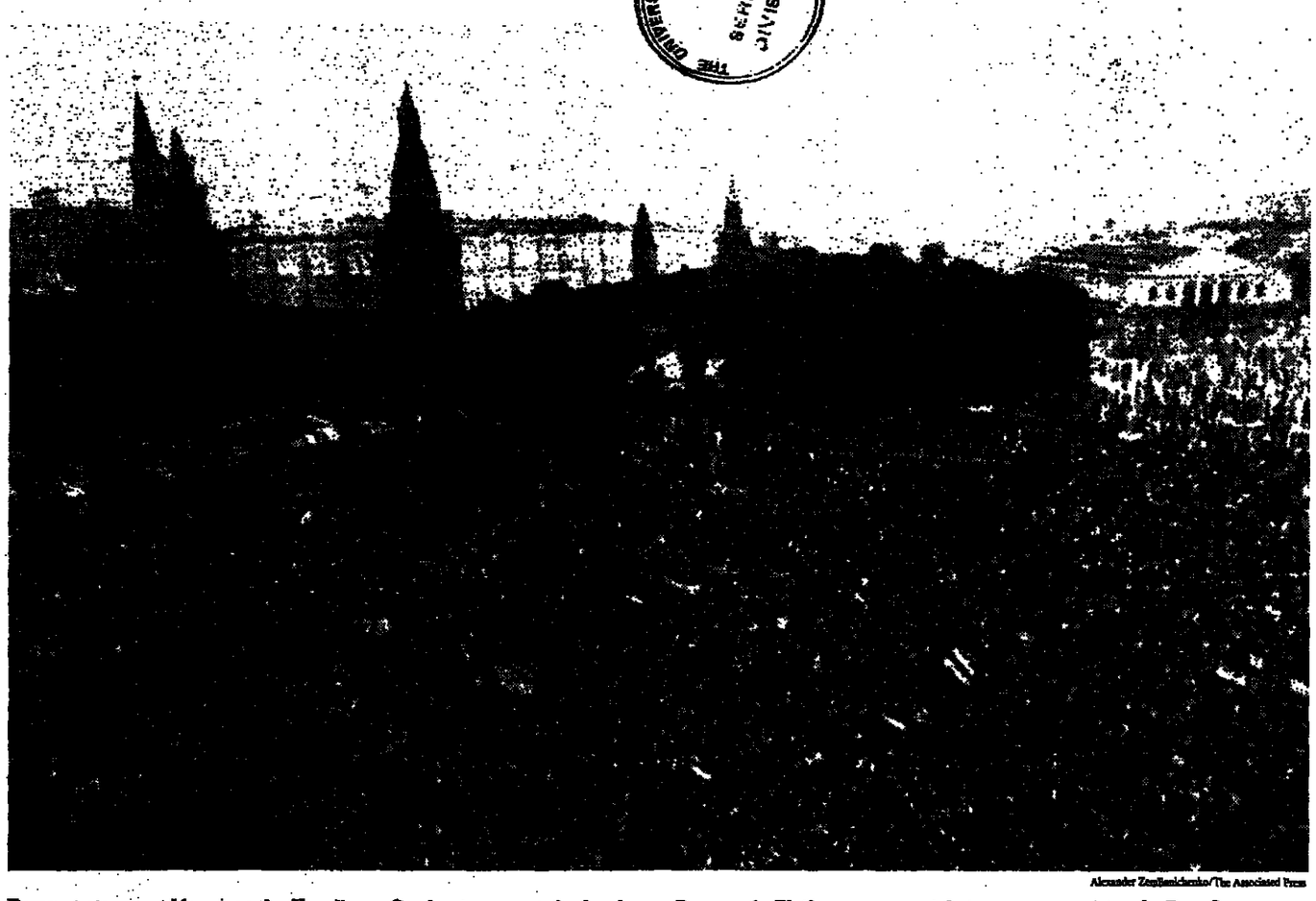
The uphill struggle to repair British-German relations and to restore credibility within the EC in the aftermath of Mr. Ridley's remarks will be further complicated by the revelation that Mrs. Thatcher, Mr. Hurd and six experts on German history held a confidential meeting in March at which they listed defects of the German national character that could pose a future threat and discussed ways of balancing and containing German power.

Asked about the meeting, Mr. Hurd replied "Why not?" and said that with Europe's extraordinary changes it was wise for officials to gather away from the political fray to discuss the new situation. He also said that the conclusions were overwhelmingly reassuring about a reunified Germany.

Many observers were nonetheless startled by the tone and content of the talks about the Germans — military and political allies of the British since World War II.

The main German shortcomings,

See BRITAIN, Page 5



Alexander Zemlianichenko/The Associated Press

Demonstrators marching near the Kremlin on Sunday to support the breakaway Democratic Platform movement that opposes one-party rule. Page 5.

Gorbachev Sees Kohl On NATO

Soviet Chief Says The 2 Sides Moved 'A Little' Closer

By Gary Lee
Washington Post Service

MOSCOW — The Soviet Union and West Germany have narrowed their differences on the question of a united Germany's membership in NATO, President Mikhail S. Gorbachev said Sunday.

But he indicated that several problems remain to be resolved.

Mr. Gorbachev and Chancellor Helmut Kohl of West Germany held three hours of talks here Sunday, which Bonn officials said focused on what Germany's military status would be after reunification.

"We have moved a little towards each other," Mr. Gorbachev told reporters. "We have tackled some important issues. We've got a few small nuts to crack, but we have very good teeth."

Mr. Kohl, who arrived in Moscow Saturday night for a two-day visit, agreed with the assessment, but declined to give details. Throughout a 30-minute news conference, held in the elegant guest house where the morning session took place, Mr. Kohl smiled broadly, signaling that he was pleased with the negotiations. "The talks are being held in an excellent atmosphere," he said.

Moscow has adamantly opposed a united Germany becoming a full partner in the North Atlantic Treaty Organization. In a news conference conference Saturday, Gennadi I. Gerasimov, a Soviet Foreign Ministry spokesman, batted back all questions on the subject. Following Sunday's talks, however, Mr. Gerasimov told reporters that he expected an agreement to be reached on the issue.

While declining to give details of Sunday's session, West German diplomats said that Moscow's request for aid from the West and Mr. Gorbachev's recent victory over Kremlin conservatives may have helped soften the Soviet opposition to a united Germany's inclusion in NATO.

Last week, Mr. Gorbachev appealed for financial assistance from leaders of the world's seven major industrial countries, who had convened in Houston. Response to the request was mixed, with the Bonn government reacting most positively. The presence of Soviet and West

See KOHL, Page 5

U.S. Insurance Fund for Savers Is 'Under Stress'

By Jerry Knight
Washington Post Service

WASHINGTON — The chairman of the Federal Deposit Insurance Corp., L. William Seidman, said Sunday that the insurance fund that protects the savings of U.S. bank depositors was "under considerable stress" and "would be in trouble" if the nation suffered a serious recession.

Mr. Seidman said the deposit insurance fund, which was created after the Great Depression to restore confidence in the banking system, was "at a low point in history as a percentage of what it's insuring."

He stressed that U.S. banks were not facing the kind of problems that led to the $300 billion bailout of the savings and loan industry. But he disclosed that the FDIC's reserves were less than half of what Congress wants it to maintain.

"We can handle anything we can foresee right now," he said on a U.S. television program. "But if things come along, major failures that we're not able to foresee at this time, that would be another story."

"The system is under stress," he said, "There's no question about it and our insurance fund is under stress."

The FDIC insures all bank deposits of up to $100,000, and when very large banks get into trouble, it pumps in cash that protects all depositors. The insurance is financed by a tax levied on bank accounts, currently 12 cents for each $100 deposit. If the FDIC were to run out of money, taxpayers would have to pick up the tab to protect the U.S. financial system from collapse.

An "ordinary recession" would not pose a threat to the banking system or the FDIC, Mr. Seidman said, but "if it were a long, a deep recession, then we would be in trouble."

His comments were his most negative public assessment of an issue that is lurking in the background of the growing political furor over the costly S&L debacle. The Bush administration and Congress are studying ways to revamp the deposit insurance system to prevent a recurrence of the S&L debacle, the most costly financial scandal in U.S. history.

The General Accounting Office is nearing completion of its own study of the health of the FDIC and by early fall expects to issue a report on the soundness of the bank insurance fund. "It's a concern and a valid one," said Robert Gramling, the office's director of financial audits.

The FDIC has lost money for the last two years in a row because of the worst series of bank failures since the Depression and now has only $13.2 billion to protect depositors in all the nation's banks.

The agency is facing an additional $2 billion loss this year that will shrink its fund to only a little more than $11 billion, leaving the FDIC with less than 60 cents in reserves for every $100 in deposits it insures. That is the lowest level in its history.

Economists hired by the Congressional Budget Office and the House Banking Committee to analyze the soundness of the deposit insurance system predict the government is going to have to raise the tax that banks pay for deposit insurance in order to strengthen the fund and could be forced to ask the taxpayers to pick up the tab for bank failures.

"We are clearly at a point in which, in relatively short order, the taxpayers may have to make a contribution to the closure of insolvent banks," said an economist at Stanford University, Dan Brumbaugh. Mr. Brumbaugh is widely known in the industry as one of the first to see the savings and loan crisis coming.

The House Banking Subcommittee on Financial Institutions has commissioned a study of the soundness of the FDIC fund by Mr. Brumbaugh, Robert Litan of The Brookings Institution and

See FDIC, Page 2

Kiosk

Bombs Kill 37 In Pakistan

KARACHI, Pakistan (UPI) — Bomb blasts in a market and on a train killed at least 37 persons Sunday and injured 155 in southern Pakistan, police and hospital sources said.

Paramilitary troops shot and killed three persons and wounded seven in clashes with protesters outside a Hyderabad hospital where the bombing victims were taken, officials said. They said the bomb attacks were probably related to the ethnic violence that has claimed more than 1,000 lives in Sind Province in the last four years.

General News

The U.S. may block Iraq from buying furnaces that could be used to make arms. Page 2.

A Mohawk uprising continued in a Quebec resort. Page 3.

Gareth Evans, Australia's foreign minister, urges continued pressure on all parties for a Cambodia settlement. Page 2.

Business/Finance

OPEC has achieved a consensus on higher oil prices, the cartel's president said. Page 7.

The World Bank called for a redoubled fight against poverty. Page 7.

Crossword Page 5.

Albanians Welcomed In Marseille

The Associated Press

MARSEILLE — Hundreds of Albanians living in France and Belgium lined the docks here on Sunday as a ferry arrived with 544 countrymen fleeing Europe's last hard-line Communist regime.

About 100 Red Cross doctors, nurses and other workers took control of the refugees, including 68 children, as they embarked.

The Albanians will be taken by special train to three reception centers near Paris and one in southwestern France.

They will be given physical examinations, taught some French and instructed in the basics of the social security system. Officials say they hope they can gradually be integrated into French society.

The refugees will be given temporary residence permits, but will have the right to apply for political asylum.

Many of their expatriate countrymen on the docks are supporters of the pretender to Albania's throne, Prince Leka.

Flags bearing the double-headed eagle of the monarchy, overthrown in 1939 by an Italian invasion, fluttered under summer skies until a port official told the monarchists to put them away half an hour before the ship arrived. His assistants

See REFUGEES, Page 2

Agence France-Presse

An Albanian refugee carrying his child to a resettlement camp after arriving by chartered train Sunday in Friedland, West Germany.

Harboring Secrets: KGB's Fuzzy Role

By Craig R. Whitney
New York Times Service

BONN — With every passing day, disclosures from secret files of the former Communist governments in Eastern Europe show more clearly that well into the 1980s they gave sanctuary to Middle Eastern and West European terrorist groups that were attacking Western targets, despite official denials at the time.

What is not yet clear from disclosures by elected officials in the new democracies in Hungary, Czechoslovakia and East Germany is what the Soviet KGB knew about what its subordinate agencies in those countries were doing.

Government officials in Hungary and East Germany have disclosed that their predecessors sheltered the Venezuelan-born international terrorist Ilich Ramirez Sánchez, known as Carlos, in the 1970s and well into the 1980s.

East Germany's dissolved state security organization also assisted his contacts with at least 10 members of the West German terrorist group known as the Red Army Faction and provided them with shelter, jobs and new identities from 1980 until they were uncovered last month.

Former government officials in Czechoslovakia have acknowledged carrying out tests to see how much of the explosive Semtex it would take to blow up an airliner in flight, and they say they provided hundreds of tons of Semtex to Colonel Moammar Gadhafi, the Libyan leader.

Colonel Gadhafi is in turn believed to have passed it on to the Irish Republican Army and to such Middle East groups as the Popular Front for the Liberation of Palestine-General Command.

The Popular Front is the group suspected of bringing down Pan Am Flight 103 over Lockerbie, Scotland, in December 1988.

And East German intelligence files published by Die Welt, the West German daily, last week indicated that East Berlin's highest authorities let a Libyan-Palestinian terrorist group plan and carry out the bombing of a West Berlin dis-

See TERROR, Page 5

For Japan, Student's Death Is a Lesson

By Fred Hiatt
Washington Post Service

TOKYO — Ryoko Ishida, 15, reached school a few seconds late one day this month and lost her life as a result.

On the morning Miss Ishida was tardy for the first time in her high school career, three teachers were waiting in the school yard, determined to discourage latecomers. As the bells chimed at 8:30 A.M., one teacher sent the school's 500-pound (226-kilogram) iron gate hurtling closed on its tracks. At that moment, the freshman girl had reached the gate and was crushed against a concrete wall. She died two hours later.

The police are now investigating the girl's death, which has rekindled debate here about the rigid, intrusive and sometimes humiliating discipline and rules of many Japanese schools. "This is a story that freezes our heart," said the newspaper Asahi Shimbun.

The principal of the high school in Kobe, Atsuo Nomura, called an assembly to express regret at the girl's death. But while addressing the 1,500 students, who were sitting on the floor in neat rows and clad in uniforms of white shirts and dark trousers or skirts, Mr. Nomura also suggested that they were to blame.

"If more of you would come 10 minutes earlier, teachers wouldn't have to shout, 'Don't be late!'" Mr. Nomura said. "I have no intention of denying my responsibility, but I would like all of you to think again about your basic life-style."

An angry response came from Hiroshi Kume, one of Japan's most popular television newscasters, who has focused on the case during his nightly news show. "I think he doesn't really understand what it means that a 15-year-old girl lost her life," Mr. Kume said. "This is really a murder case."

In fact, the police said they are investigating a teacher, Toshihiko Hosoi, 39, on a lesser charge of professional negligence resulting in death. A police spokesman in Kobe said Mr. Hosoi had told them that he was looking down when he pushed the gate closed and could not see anyone coming.

But many commentators said the girl's death was not only a local crime, but also a reflection of an obsession with school rules on the part of many educators.

"The root of this incident is not in this

See RULES, Page 5

Fear a Certainty in Uncertain Monrovia

By Kenneth B. Noble
New York Times Service

MONROVIA, Liberia — The danger peaks near dawn, said a man named Jenkins, when government soldiers, sometimes wearing masks, prowl the gates in front of the makeshift refugee camp within the walls of the American Cooperative School.

So he and the camp's other leaders take the nighttime vigil in shifts, lest a grenade hurled over the walls blow them to bits.

It is like that all over Monrovia. Nearly every unoccupied residential courtyard and enclosed office or warehouse entrance has been turned into a refugee camp for the tens of thousands who have fled the fighting and reprisal killings that have come to characterize Liberia's civil war.

Government soldiers, bored or intoxicated or under orders to eliminate as many refugees as possible, patrol nightly. The city is rife with accounts of refugees, wandering near camp gates, who have been caught by soldiers, taken away and never seen again.

Virtually the only traffic in Monrovia these days are cavalcads of armed soldiers. Much of the city center, especially the heavily guarded mansion where President Samuel K. Doe lives and works, is cordoned off. A dusk-to-dawn curfew has heightened an already tense and fearful atmosphere.

Rice, Liberia's staple food, has been in short supply for months. Most stores and warehouses are shut, and fuel is nearly impossible to obtain.

Most disturbing of all for many citizens is apparently the resurgence of Mr. Doe's army. For a while, as rebel forces led by Charles Taylor seemed to advance toward the capital almost at will, the army seemed demoralized. Reporters at the front, on the outskirts of the city, saw soldiers discard their uniforms and desert to the other side.

But the momentum seems to have shifted recently as the rebels, having captured several key government strongholds just outside Monrovia, have inexplicably retreated.

"We've been waiting and waiting for the rebels to arrive and get us out of here," said one refugee in hiding. "Nobody can figure out now what they're doing."

For thousands of refugees still streaming into Monrovia, there is, in principle, safety in numbers. But relief workers fear that the makeshift camps, largely guarded by unarmed civilians, may make matters worse.

"All you need are a couple of firebombs or a well-placed hand

See LIBERIA, Page 5

A Call by Canberra to Keep Up Pressure for Cambodia Peace

Representatives of the five permanent members of the United Nations Security Council will meet in Paris on Monday and Tuesday for the third time this year to try to agree on principles for settling the Cambodian conflict. Australia's foreign minister, Gareth Evans, discussed this issue and others in Canberra with Michael Richardson of the International Herald Tribune.

Q. Should the West and noncommunist countries in Asia continue to support the Cambodian guerrilla coalition, including the Khmer Rouge, as a means of putting pressure on the Vietnam-backed government in Phnom Penh for a negotiated settlement of the Cambodian conflict?

A. Pressure has to be maintained on all the external patrons and all the internal players to come to the negotiating table and to reach a comprehensive settlement. Only that will bring a durable peace to Cambodia.

Q. Doesn't aid from the United States, China, Singapore and other countries to the noncommunists in the Cambodian insurgency help the Khmer Rouge, at least indirectly?

A. I am not sure about the extent to which, in practice, some of that material and financial support is getting through to the Khmer Rouge. Even if some is, it is clearly of less significance than the continuing support for the Khmer Rouge from China. Encouraging China to withdraw that support is the most important single objective of the international negotiations that are taking place in Paris and elsewhere.

MONDAY Q&A

•

Q. Is time running out for Cambodia because the international community will lose interest if there is not a readiness to compromise?

A. It's a very real risk. There is a window of opportunity in what is left of this year to solve the problem once and for all in a way that is genuinely satisfactory all-round.

Q. Reports from Cambodia suggest that the Khmer Rouge is gaining territory and influence at the expense of Phnom Penh government forces. Is there a risk that the Khmer Rouge will regain power?

A. It is very difficult to read the military situation in Cambodia. There is obvious internal tension in the Phnom Penh administration. But while the Khmer Rouge and the noncommunist resistance will certainly be capable of continuing quite a significant level of guerrilla activity over quite a wide number of locations, they are unlikely to be able to hold any major town.

Q. Isn't the fatal flaw in any plan for a political settlement in Cambodia based on free and fair elections that the Khmer Rouge know they would lose because of their appalling record of repression?

A. The judgment the Khmer Rouge will have to make will be in the absence of external support, which is the condition we are assuming will follow from a comprehensive settlement. They will have to decide whether they can continue to sustain a civil war or whether their only future is to come in from the jungle, participate in normal civilian life and take their chances as a political party.

•

Q. Why does the Australian government regard the majority of Vietnamese and Cambodian boat people as economic migrants rather than genuine political refugees?

A. These judgments are made by a special committee, on the basis of individual cases. A number of people in the past have been determined not to be refugees according to accepted international criteria of well-founded fear of political persecution. They have simply wanted to avoid conflict, disruption and danger, or perhaps to prevent their children being conscripted into an army. Others have been assessed as simply wanting to better their economic lifestyle.

However sympathetic we may be to such people, the difficulty for any country of immigration like Australia in allowing people to jump the queue is that there are a million or so people from trouble spots around the world wanting equally desperately to come to a safe and economically more attractive environment.

•

Q. What will will happen if the United States and Vietnam refuse to accept the demand from Australia and noncommunist Asian nations for mandatory repatriation of Indochinese found not to be nonrefugees?

A. Sooner or later some boil-over point is going to be reached. Already we are seeing a resumption of push-offs [of refugees] in some areas of Southeast Asia with all the horrendous consequences that flow from that, not least because of piracy in the South China Sea. There would be enormous human misery as boat people chased an impossible dream.

If the reality is that resettlement countries are not going to to accept these people, they face a life of ongoing misery in camps. Somehow the message has got to get back to Vietnam that the world's capacity to absorb these kinds of immigrants is limited and that there is simply no point in leaving. Unless a sharp, clear message can be delivered through the return of people who do not satisfy refugee status, the pull factor will continue.

U.S. Moves to Block Iraqi Furnace Deal

By Michael Wines
New York Times Service

WASHINGTON — Concerned about the growing sophistication of Iraq's military, the Defense Department is leading a last-minute effort to prevent Iraq from importing industrial furnaces that some experts say could be used to make components for missiles and atomic weapons.

In a letter sent last week, Paul D. Wolfowitz, the undersecretary of defense for policy, urged the State Department to prohibit Consarc Corp. of Rancocas, New Jersey, from shipping the furnaces, in which titanium and other exotic metals can be melted and cast, to a government installation near Baghdad, the Iraqi capital.

Mr. Wolfowitz's action comes days before a temporary government ban on the export of the furnaces is set to expire.

The sale had Commerce Department approval, but the Customs Service ordered Consarc last month to delay the shipment for 20 days while officials studied the furnaces' capabilities more closely.

That prohibition expires Tuesday.

The Pentagon effort underscores a growing worry of U.S. officials that a recent easing of controls on high-technology exports, primarily aimed at East European nations, will make it easier for some Third World dictatorships to acquire advanced military components.

Some officials believe that the sale to Iraq could easily have been barred had a category of industrial furnaces similar to the Consarc equipment, once on a list of prohibited exports, not been removed in an agreement with European allies in early June.

Iraq contends that the furnaces will be used primarily to process titanium for use in artificial arms and legs. But U.S. officials said that a review of the furnaces' specifications indicated that they were far more technologically sophisticated than required for such a purpose.

In particular, they said, one device, called an induction skull melting furnace, has state-of-the-art technology found almost nowhere else in the United States or Europe.

"The primary concern is that they can make parts for missiles," said an official, who spoke on condition of anonymity.

In an interview Friday, the president of Consarc, Raymond J. Roberts, said that he was "somewhat mystified" by the controversy and that two similar furnaces in the United States and West Germany did not have military uses.

Iraq's military is making an extensive effort to purchase advanced-technology equipment abroad for its missile and weapons programs.

The American and British authorities said in April that they had foiled an Iraqi attempt to use a front company in Britain to buy triggers for nuclear devices.

Mr. Roberts said Consarc had won Commerce Department approval a year ago to sell Iraq three furnaces, including the skull melting furnace, so named because it has a crucible shaped like a skull.

Two other furnaces bound for Iraq are now in Britain.

Officials said export applications listed the buyer of the furnaces as the Iraqi Ministry of Industry and Minerals, a nonexistent agency.

They said the actual destination was a military research complex in the Karbala region of Iraq, just south of Baghdad.

Last month, the Customs Service became concerned that the skull melting furnace had restricted military applications and ordered the shipment held for inspection.

The Commerce Department declined to comment on the matter Friday. Other U.S. officials said the agency had relied on Consarc's assurance that the skull melting furnace could generate temperatures of up to 1,800 degrees centigrade.

Experts have since concluded that the furnace could be easily adjusted to safely heat metals far above 1,800 degrees and that it could be used with the four other furnaces for a variety of military-related items, United States officials said.

Barbara Walton/The Associated Press

N.T. Rama Rao, left, and S.R. Bommai announcing the prime minister's plans, but they said the crisis was not over.

India Chief Withdraws His Resignation

Compiled by Our Staff From Dispatches

NEW DELHI — Prime Minister Vishwanath Pratap Singh agreed on Sunday to withdraw his resignation as leader of the five-party National Front coalition government, at least partly defusing the worst crisis of his seven months in office.

But three of his ministers, including Foreign Minister Inder Kumar Gujral, resigned Sunday, the United News of India press agency reported.

"The prime minister has agreed not to press his resignation," said S. R. Bommai, the president of Mr. Singh's Janata Dal party.

But he added, "The crisis is not yet over."

The other ministers who resigned Sunday were the minister of state for civil supplies, Ram Pujan Patel, and the minister of state for commerce, Arangil Sreedharan. Deputy Foreign Minister Harikishore Singh also quit.

Mr. Bommai said party leaders were still discussing the events leading up to Mr. Singh's resignation offer on Saturday. He said a solution was expected to be found by Monday.

On Friday, three cabinet ministers resigned in a protest against Deputy Prime Minister Devi Lal, a Janata Dal power-broker.

Mr. Lal is believed to have engineered the re-election on Thursday of his son, Om Prakash Chautala, as chief minister of the Haryana state government. Mr. Singh was criticized for failing to oppose the political maneuvering.

By Saturday, six other ministers had quit, charging that the government had reneged on its pledge to uphold public morality.

The resigning ministers reaffirmed their support for Mr. Singh, but they were critical of the pressure tactics that led to Mr. Chautala's re-election.

Mr. Chautala's re-election came less than two months after he was forced to resign the post in a scandal over the assassination of a political candidate in a state assembly by-election.

The cabinet resignations were an attempt to put pressure on Mr. Lal to force his son to quit the chief ministry post in the northwestern state of Haryana for a second time.

Mr. Singh agreed to remain in office after partners in the National Front government urged him Sunday to withdraw his resignation.

"The prime minister does not belong to any single party," said the chairman of the National Front, N.T. Rama Rao. "He belongs to the National Front, comprising five parties. Therefore, he cannot react to anything that happens in one party."

Mr. Singh expressed his desire to resign in letters sent to Mr. Bommai and to Mr. Rao.

"The rationale of my being in the office of the prime minister was the trust of the people, of the members of the National Front and supporting parties," Mr. Singh wrote. "The developments during the last two days have shown that I have lost this trust." *(UPI, AP)*

U.S. Maps Plans for Future's Atom Arms

By R. Jeffrey Smith and Thomas Lippman
Washington Post Service

WASHINGTON — An Energy Department master plan for future production of nuclear weapons calls for revitalizing the existing network of factories and reactors so the U.S. military can make new bombs through at least the middle of the next century, according to department officials and government documents.

Despite improving U.S.-Soviet relations and the prospect of deep, negotiated cuts in superpower arsenals, the Energy Department has based its research and spending plans on "a requirement for nuclear weapons as far as we can see," a senior department official said over the weekend.

The size of the U.S. nuclear arsenal is expected to decline from its current level of about 21,000 weapons over the next 60 years. But department officials say they are anticipating a continued need to manufacture many new weapons with improved, safer designs that would replace those being retired or withdrawn as obsolete.

"Complex 21, my vision of a fully modernized complex is planned to be in operation about 2015 and to support the nation's strategic deterrent until the middle of the century," Energy Secretary James D. Watkins said in a letter to the Senate Armed Services Committee.

The letter provided the most detailed explanation yet of the department's long-term goals for the production of nuclear arms.

Mr. Watkins said that under one option being considered, Complex 21, which is named for the 21st century, might consist of one or two bomb-building sites that would consolidate activities now spread across 12 states.

Some officials suggested that such a consolidated facility could be operated in a state like South Carolina, where public support for nuclear-weapons manufacturing and its attendant infusion of U.S. government funds remains high.

But after having officially scrapped a modernization plan prepared at the end of the Reagan administration, Mr. Watkins said he expected that the final shape of the complex would not not become clear until late 1993 or early 1994.

The project's planned 25-year period of construction reflects what agency officials say is the extensive scale of improvements needed after a decade of neglect.

No formal cost estimates have been prepared, but one agency official said that building the complex from existing facilities would cost at least $15 billion.

REFUGEES: *Albanians Greeted in Marseille*

(Continued from page 1)

passed out blue, white and red tricolors.

"It's France who welcomes them, and only the French flag should be present," the port official told an aide to Prince Leka. "All other flags but ours must be put away."

The new arrivals are the last of thousands who boarded five ferries last week for Western Europe.

The Albanians had sought refuge in Western embassies in the capital city of Tirana before being allowed to leave by President Ramiz Alia's government.

Earlier Sunday, an additional 76 Albanians flashed the victory sign when they arrived in Ankara on a flight from Tirana sponsored by the Turkish government.

"We want to live in a free society," said Arben Shanja, a physics teacher from Shkoder. "We want to have our political and legal rights."

Mr. Shanja and his wife named their 2-week-old daughter Liry, which means liberty, eight days after her birth when they sought refuge at the Turkish Embassy in Tirana.

Members of the group said they learned that about 6,000 Albanians had held a demonstration for democracy in Shkoder on Friday and clashed with soldiers. Seven demonstrators were killed, they said.

On Saturday, about 4,500 Albanians who landed in Brindisi, Italy, made their way to other countries.

The first of more than 3,000 Albanians bound for West Germany on three chartered trains arrived Saturday in Heidelberg. In Basel, Switzerland, other refugees were sent on smaller trains to 14 different West German cities.

It was unclear how many would remain in West Germany and how many wished to go to third countries. Many have said they hope to go to the United States.

Also Saturday, the 56 Albanians sheltered in the Polish Embassy in Tirana were flown to Warsaw. Another 39 who sought refuge in the Hungarian Embassy were flown to Budapest. Five others who took refuge at the Bulgarian Embassy traveled to Sofia.

FDIC: *Fund 'at a Low'*

(Continued from page 1)

James Barth of Emory University in Atlanta.

Mr. Litan and Mr. Brumbaugh warned Congress a year ago that banks had hidden losses that if made public would wipe out the FDIC's reserves.

In an argument that is disputed by many other banking experts, Mr. Kane and Mr. Brumbaugh contend that the depletion of the deposit insurance fund closely parallels the early stages of the collapse of the Federal Savings and Loan Insurance Fund, which required a bailout projected to cost the taxpayers $300 billion.

"We are in the midst of reliving the S&L crisis in the commercial banks," said Mr. Brumbaugh. "The stage we are in is about the same as 1984 and 1985 with the thrifts" when the S&L's problems were far more serious than their financial, reports revealed.

Such assessments are flatly rejected by the FDIC and many private banking experts.

■ Bush Son: No Inquiry Now

Attorney General Dick Thornburgh said Sunday that he had no information that Neil Bush, President Bush's son, participated in criminal activity in his role as director of a failed savings and loan in Colorado, The Associated Press reported from Washington.

But Mr. Thornburgh insisted that the Justice Department would pursue any case against Mr. Bush, 34, if it received credible information of criminal misconduct. In the meantime, Mr. Thornburgh added, it would be unfair to appoint an independent counsel to investigate Mr. Bush, as some House Democrats had suggested.

WORLD BRIEFS

Syria and Egypt Discuss Arab Unity

ALEXANDRIA, Egypt (AFP) — Hafez Assad, president of Syria, had a second day of talks Sunday with his Egyptian counterpart, Hosni Mubarak, amid reports of efforts to narrow the longstanding disputes between Syria and Iraq.

Officials have said that a key issue is the meeting of Arab leaders in Cairo in November and Mr. Mubarak's efforts to tighten Arab ranks with a reconciliation between Syria and Iraq. An adviser to Mr. Mubarak told an Egyptian newspaper that Mr. Assad and Iraq's president, Saddam Hussein, would both attend the meeting.

The talks have also centered on improving Syrian-Egyptian ties, as well as regional problems such as the Lebanese crisis, the Palestinian issue and developments in the Gulf, according to the official Egyptian press.

U.K. Muslims Back Death for Author

LONDON (Reuters) — Hundreds of British Muslims have endorsed Iran's death order against the author Salman Rushdie, a move that could further upset uneasy race relations in Britain.

About 500 Muslims attending a conference called "The Future of Muslims" over the weekend cheered and waved their arms in approval for the death order passed on Mr. Rushdie by Ayatollah Ruhollah Khomeini in February 1989.

A Muslim leader, Kalim Siddiqui, said the conference decision was a "beautiful moment" that showed that British Muslims backed the Iranian order. Ayatollah Khomeini ordered Muslims around the world to kill Mr. Rushdie for blaspheming Islam in his book "The Satanic Verses." Since the order, the Indian-born author has been in hiding.

Church Invites Boesak to Return

CAPE TOWN (AP) — The Reverend Allan A. Boesak, a prominent anti-apartheid campaigner who resigned his church posts after an affair with a married woman, will reconsider his decision to quit during a three-week leave of absence, his lawyer said Sunday.

Church leaders at the mixed-race branch of the Dutch Reformed Church in Bellville outside Cape Town said at a service Sunday they "would be grateful" if he decides to return.

He was not at church Sunday, but his lawyer said Mr. Boesak would reflect on his position over the next few weeks and come to a decision.

South Korean Opposition Angered

SEOUL (AP) — South Korea's largest opposition party, angered by the parliament's unilateral passage of disputed bills, said Sunday that it would step up a campaign against the government of President Roh Tae-woo.

Meanwhile, thousands of broadcast industry workers continued a two-day-old strike to protest what they called a government attempt at tightening its grip on the nation's press.

Representative Kim Hyung-bae, the floor leader of the top opposition group, the Party for Peace and Democracy, said his party, led by Kim Dae-jung, would step up an anti-government campaign by organizing a series of public rallies throughout the country this week. Mr. Kim said his party might boycott the National Assembly, which he asserted had become a "rubber stamp." He demanded that the Assembly be dissolved immediately to clear the way for new elections.

Eastern Airlines May Face Charges

NEW YORK (NYT) — A U.S. grand jury is preparing to file criminal charges against Eastern Airlines, accusing it of faulty maintenance practices at La Guardia and Kennedy International airports in New York and Hartsfield International in Atlanta, according to lawyers involved in the investigation.

Prosecutors and airline lawyers will meet Monday to discuss a plea bargain, the lawyers said, indicating that Eastern would agree to plead guilty to some charges. The charges, which are expected to name more than seven current or former employees of Eastern, involve work performed in early 1989. The investigation does not focus on Eastern's current practices, which comply with regulations, said Fred Farrar, a spokesman for the Federal Aviation Administration.

Eastern, a subsidiary of Continental Airlines Holdings Inc., filed for Chapter 11 protection in 1989 after its machinists struck and its pilots and flight attendants honored the picket lines. Eastern closed its maintenance base at Kennedy last year after the FAA fined it $839,000 for faulty maintenance. The FAA regularly fines airlines for such violations, but it is rare to file criminal charges.

For the Record

The Israeli Army said an air force plane flown by a lone pilot disappeared during an unauthorized flight on Friday. An army statement said Sunday that "the pilot who was on alert in an air force base in the center of the country took off without authorization." The army has been conducting a widespread search by land and sea since Friday morning, it said. The pilot was flying a twin-engined Dornier. *(Reuters)*

TRAVEL UPDATE

SAS Expects a New One-Day Strike

STOCKHOLM (Reuters) — Scandinavian Airlines System said Sunday that it expected its 750 Swedish pilots to stage a second one-day strike on Monday, forcing the cancellation of one in three flights.

The airline, which has 1,800 pilots, said that it had failed to reach a pay accord with the strikers by Sunday evening and that no negotiations were taking place. The airline, 50 per cent owned by the governments of Sweden, Denmark and Norway, said it would have to cancel 20 of 59 domestic flights and one third of its Scandinavian and European flights on Monday if the pilots walked out. The Swedish pilots staged their first stoppage last Thursday and have threatened similar walkouts next Friday and on July 23 and 27.

Air force troops occupied Bolivia's airports on Saturday during a 24-hour strike by air-traffic controllers that paralyzed domestic and international flights. The strike was over a government decision to hand over part of the airports' administration to the Defense Ministry. *(Reuters)*

This Week's Holidays

Banking and government offices will be closed or services curtailed in the following countries and their dependencies this week because of national and religious holidays:

MONDAY: Botswana.
TUESDAY: Botswana, Iraq, Nicaragua, Puerto Rico, South Korea.
WEDNESDAY: Uruguay.
THURSDAY: Burma, Nicaragua.
FRIDAY: Colombia.
SATURDAY: Belgium, Bhutan, Guam.
SUNDAY: Poland, Swaziland.

Source: J.P. Morgan, Reuters.

WEATHER

EUROPE

	HIGH C	HIGH F	LOW C	LOW F	
Amsterdam	24	75	16	61	fr
Athens	32	90	22	72	fr
Barcelona	26	79	19	66	fr
Belgrade	24	75	—	—	—
Berlin	23	73	12	54	fr
Brussels	26	79	10	50	fr
Budapest	24	75	11	52	fr
Copenhagen	22	72	11	52	fr
Costa Del Sol	29	84	19	66	fr
Dublin	17	63	14	57	fr
Edinburgh	18	64	8	46	fr
Faro	24	75	17	63	fr
Florence	30	86	20	68	fr
Frankfurt	25	77	14	57	fr
Geneva	28	82	17	63	fr
Helsinki	16	61	11	52	r
Las Palmas	25	77	19	66	fr
Lisbon	25	77	18	64	fr
London	29	84	14	57	fr
Luxembourg	25	77	13	55	fr
Madrid	30	86	14	61	fr
Milan	27	81	21	70	fr
Moscow	17	63	12	54	r
Munich	23	73	10	50	fr
Nice	25	77	22	72	fr
Oslo	22	72	12	54	fr
Paris	29	84	12	54	fr
Prague	23	73	6	43	fr
Reykjavik	15	59	12	54	r
Rome	27	81	17	63	fr
Stockholm	18	64	12	54	fr
Strasbourg	26	79	10	50	fr
Venice	28	82	20	68	fr
Vienna	22	72	10	50	fr
Warsaw	17	63	9	48	fr
Zurich	25	77	12	54	fr

MIDDLE EAST

Amman	29	84	12	54	fr
Cairo	33	91	22	72	fr
Istanbul	28	82	20	68	fr
Jerusalem	30	86	19	66	fr
Tel Aviv	30	86	19	66	fr

OCEANIA

Auckland	—	—	—	—	—
Sydney	19	66	9	48	fr

ASIA

	HIGH C	HIGH F	LOW C	LOW F	
Bangkok	31	88	25	77	fr
Beijing	30	86	21	70	fr
Hong Kong	31	88	28	82	fr
Manila	33	91	28	82	fr
New Delhi	32	90	29	84	fr
Seoul	27	81	20	68	sh
Shanghai	30	86	25	77	fr
Singapore	31	88	25	77	fr
Taipei	30	86	25	77	fr
Tokyo	30	86	21	70	fr

AFRICA

Algiers	28	82	22	72	sh
Cape Town	17	63	8	46	fr
Casablanca	21	70	21	70	fr
Harare	25	77	10	50	fr
Lagos	28	82	25	77	sh
Nairobi	24	75	13	55	fr
Tunis	33	91	17	63	fr

LATIN AMERICA

Buenos Aires	21	70	10	50	c
Lima	18	64	16	61	fr
Mexico City	24	75	13	55	fr
Rio de Janeiro	21	70	17	63	sh

NORTH AMERICA

Anchorage	17	63	10	50	fr
Atlanta	29	84	19	66	fr
Boston	26	79	21	70	fr
Chicago	28	82	16	61	fr
Denver	31	88	17	63	fr
Detroit	27	81	12	54	fr
Honolulu	29	84	23	73	fr
Houston	33	91	21	70	fr
Los Angeles	23	73	16	61	fr
Miami	32	90	25	77	fr
Minneapolis	28	82	17	63	fr
Montreal	28	82	19	66	fr
Nassau	30	86	24	75	fr
New York	28	82	21	70	fr
Phoenix	39	102	28	82	fr
San Francisco	21	70	14	57	fr
Seattle	24	75	15	59	fr
Toronto	29	84	19	66	fr
Washington	31	88	24	75	fr

cl-cloudy; fo-foggy; fr-fair; h-hail; o-overcast; pc-partly cloudy; r-rain; sh-showers; sn-snow; st-stormy.

MONDAY'S FORECAST — CHANNEL: Slightly rough. FRANKFURT: Fair. Temp. 27 — 15 (81 — 59). LONDON: Cloudy. Temp. 22 — 17 (72 — 63). MADRID: Fair. Temps. 32 — 19 (90 — 66). NEW YORK: Showers. Temps. 28 — 21 (82 — 70). PARIS: Cloudy. Temps. 25 — 17 (77 — 63). ROME: Fair. Temps. 28 — 17 (82 — 66). TEL AVIV: Not available. ZURICH: Partly cloudy. Temp. 24 — 15 (75 — 59). BANGKOK: Showers. Temps. 33 — 25 (91 — 77). HONG KONG: Not available. MANILA: Cloudy. Temps. 33 — 24 (91 — 75). SEOUL: Showers. Temps. 28 — 21 (82 — 70). SINGAPORE: Showers. Temps. 31 — 25 (88 — 77). TOKYO: Cloudy. Temps. 30 — 25 (86 — 77).

THE Perfect Savings Partnership

14 DAYS NOTICE DEPOSIT
14·25% PA GROSS
for your short term savings
£5,000 minimum deposit
Interest credited quarterly
Rates are variable

1 YEAR FIXED DEPOSIT
14·00% PA GROSS
for your longer term investment
£1,000 minimum deposit
Interest paid at the end of the deposit period

Rates correct at time of going to press

Now you can benefit from the advantages of the perfect savings partnership offered by Lombard.

The Lombard 14 day notice account is ideal for your short term savings earning you a good rate of interest with easy access. And for your longer term needs, there is the one year fixed deposit where the rate of interest is guaranteed not to change during the period of deposit

Whether you choose one or both of these you can be assured that your Lombard deposit account will be confidential.

As an added benefit for overseas residents, all interest is paid without deduction of tax at source.

All this adds up to the perfect savings partnership– what more could you wish for your money?

You can find out more without any obligation by writing to Stephen Carter and asking for a copy of our Savers & Investors brochure no 749 or simply by completing the coupon

To Stephen Carter Lombard North Central PLC 28A
Banking Services Department 749 38a Curzon St
London W1A 1EU England Tel 0737 776861

Please send me, without obligation a copy of your Savers & Investors brochure and current rates. (Please write in Capital letters)

NAME (MR/MRS/MISS)

ADDRESS

Registered in England No 337004 Registered Office Lombard House 3 Princess Way Redhill, Surrey RH1 1NP England
A member of the National Westminster Bank Group whose capital and reserves exceed £5,900,000,000.

Lombard
The Complete Finance Service
Deposit Accounts

UNIVERSITY DEGREE
BACHELOR'S • MASTER'S • DOCTORATE
For Work, Life and Academic Experience No Classroom Attendance Required
(213) 471-0306
FAX: (213) 471-6456
Call or write for information or send detailed resume for free Evaluation
Pacific Western University
600 N Sepulveda Blvd Dept. 23,
Los Angeles, CA 90049

Cocaine Empire Under Siege

Medellín Drug Ring Is Crumbling, the Military Says

By Douglas Farah
Washington Post Service

BOGOTA — Top Colombian military officials say that even if Pablo Escobar Gaviria, the world's most wanted drug trafficker, escapes the latest and largest military dragnet, his operational base in Medellín has been badly damaged and key aides have been arrested, crippling his cocaine network.

"Even though the emperor has not fallen, the empire is crumbling," General Miguel Maza Marquez, director of the Department of Administrative Security, the equivalent of the FBI, said at a recent press conference. "The cartel is diminished politically, militarily, logistically and socially."

Mr. Escobar, 40, is the leader of the Medellín cocaine ring.

The latest attempt to capture him began July 5 and has driven him into hiding in a swampy jungle area in the Magdalena Medio, 160 kilometers (100 miles) east of Medellín.

The police have increased the reward for turning in Mr. Escobar to $600,000 from $400,000 in hopes of outbidding Mr. Escobar, a multibillionaire, for the services of inhabitants of the area.

The operation, dubbed "Apocalypse" by the military, involves about 500 men of the Elite Corps of the National Police, 1,500 army troops and a dozen helicopters.

The greatest successes, according to the police, have been the capture of 25 people who were with Mr. Escobar and key to the drug ring's operation, and driving Mr. Escobar from his stronghold in Medellín, where he had bought the loyalty of many officials and much of the population.

Among those arrested were Mr. Escobar's brother-in-law and top aide, Hernán Darío Henao, and Otoniel González Franco, identified as one of the seven leaders of Mr. Escobar's military operation.

"We have finally dislodged him from Medellín, and his space there is greatly reduced," General Miguel Gómez Padilla, director of the National Police, said in an interview. "We have truly made him a fugitive in the jungle, running without being able to rest."

General Gómez Padilla said that Mr. Escobar had decided to run after the police killed John Jairo Arias Tascon, the head of Mr. Escobar's military wing, on June 13 and after the capture of numerous other top hit men, who Mr. Escobar feared would talk to the authorities.

The police say that Mr. Escobar and 10 to 15 bodyguards are traveling by foot or mule through the difficult terrain where Mr. Escobar owns vast tracts. He has built numerous hideaways in the area, and detection from helicopters is difficult.

General Gómez Padilla said the police were intercepting communications from Mr. Escobar in the area the troops have sought to seal off, but would not say when they expected that Mr. Escobar might be captured.

Mr. Escobar is an old hand at evading the police — often, senior officials say, with the help of corrupt officers in his pay. The police say he had mapped out escape routes from each of his jungle hideaways and had provisions and arms stockpiled in each.

One senior intelligence officer said the police thought that if Mr. Escobar slipped through the military's siege, he would likely continue east to the jungles of Brazil or Venezuela, where it would be virtually impossible to find him.

Police officials said Mr. Escobar had narrowly escaped capture twice since being forced out of his Medellín stronghold, managing to stay minutes ahead of the troops and helicopters sweeping the area. In one case, the troops arrived at a hideaway and found warm coffee along with a suitcase containing clothes and a typewritten draft of a memoir Mr. Escobar is writing.

General Gómez Padilla said the troops also found numerous uniforms of policemen killed by Mr. Escobar's hit men, kept either as trophies of war or to be used to impersonate policemen.

The senior intelligence officer said that "it would be logical to assume" that Mr. Escobar was still receiving tip-offs from police or military informants.

Officials said that although Mr. Escobar was on the run, his business was being run by a cousin, Gustavo Gaviria, and members of the Ochoa family, whom the police have been unable to locate. "We expect them to try to strike back," the intelligence officer said. "Escobar is like a wounded animal now."

■ New Attack in Medellín

A car bomb exploded late Saturday in front of police headquarters in the cocaine-trafficking center of Medellín, killing one civilian and wounding 14, The Associated Press reported from Bogotá.

Meanwhile, the police reported seizing more than two tons of cocaine, packaged and ready to be sent to the United States. They said it was hidden in an underground storage locker on a farm in northern Colombia.

30 Czechs Leave Cuba As Standoff Continues

Reuters

HAVANA — A group of about 30 Czechoslovaks, mostly women and children, left Cuba quietly on Sunday as Prague and Havana maintained a tense diplomatic standoff over 12 Cuban refugees in the Czechoslovak Embassy.

The voluntary evacuation was a precautionary measure by the embassy after five Cubans demanding to leave the country forced their way into the house of a Czechoslovak diplomat.

There were no special formalities at the airport for the departing Czechoslovaks, who boarded a scheduled Czechoslovak Airlines flight to Prague. The 30 were part of a list of up to 70 women and children who had been advised by the embassy they could leave if they wished.

Tension has been rising between Cuba and Czechoslovakia, its former Communist ally, over the case of 12 Cubans granted refuge at the embassy last week and of five others occupying the house of the chargé d'affaires, Jan Domok.

Since the fall of Communist rule in Czechoslovakia, the East European country's new leaders have openly clashed with Cuba over human rights on the Caribbean island.

Czechoslovak diplomats have refused protection to the five Cubans at Mr. Domok's house, saying they did not consider them genuine refugees.

President Fidel Castro sharply criticized Czechoslovakia on Saturday for granting refuge to the 12 Cubans and said Prague's different treatment of the two groups of Cubans, the one group in the embassy and the other in the house, was hypocritical and inconsistent.

He said both groups of refugees were "anti-social elements, lumpen, with no political motivation."

Mr. Castro said his government's policy was not to grant exit visas to Cubans who sought asylum at foreign embassies.

In a separate development, Cuba apologized to Spain over an incident Friday in which security police followed an asylum-seeker into Spain's Havana embassy and dragged him out.

The Spanish government, whose embassy in Havana was already sheltering three Cubans, asked for assurances that no action would be taken against the unidentified man.

Uniformed police were on guard Sunday around the Czechoslovak and Spanish embassies, the Czechoslovak diplomat's house and other foreign diplomatic missions.

Czechoslovakia's non-Communist government has said it will not hand over the 12 embassy refugees and has asked Havana to allow them to travel freely to the country of their choice.

Spanish diplomats are also seeking a way for the three refugees to leave Cuba for Spain or a third country.

The Czechoslovak Embassy has asked Cuban authorities to remove the five occupying its diplomat's house, but no action had been taken.

One of those occupying the house told reporters by telephone that the group wanted to leave the country because they did not agree with its Communist system. He denied a statement by the Czechoslovak Foreign Ministry that the invaders had held Mr. Domok hostage for three hours.

The Czechoslovak president, Vaclav Havel, angered Mr. Castro in June by writing to him to complain about Cuban detention of political dissidents. In March, in a move branded by Mr. Castro as a betrayal, Czechoslovakia backed a U.S.-drafted human rights resolution against Cuba at the United Nations Human Rights Commission in Geneva.

Kevork Djansezian/The Associated Press

BACK ON TRACK — The first trolley in Los Angeles since 1961 emerging from a ceremonial cloud of blue smoke. The $877 million Metro Blue line, with 17 stations, connects downtown Los Angeles with Long Beach, 19 miles to the south. Officials in the freeway-clogged area hope that it will wean commuters away from their automobiles and usher in a new era of mass transit.

AMERICAN TOPICS

Political 'Attack Ads' Generating Backfire

"An intriguing pattern has emerged" from primary elections for governor, The Washington Post reports. "The candidate who attacked first finished second."

For many members of the American Association of Political Consultants, which held its annual conference last week in Houston, that confirms what they have been saying about the risks of political attack ads.

"Going negative is like juggling a hand grenade," said Raymond Strother, a co-chairman of the conference. "You never know if it's going to blow up in your face."

Even so, political attack ads are growing more popular. Dick Leggitt, a Republican consultant, said, "If somebody gets away with a cheap shot in one campaign, everybody else is going to try to do something similar in the next."

Frank Greer, a Democratic consultant, remarked that "people learned the wrong lesson from the 1988 campaign. The wrong lesson is that negative ads work. The right lesson is that if you stand up and fight back, you can beat them. If you don't, you lose."

Mr. Greer cited governor's races in West Virginia in 1988, Virginia in 1989 and the Democratic primaries this year in Alabama, Texas and California. In all of them, the candidate who attacked first was the loser.

"People are fed up with slimeball tactics, and you can be quite successful making an issue of them," Mr. Greer said.

Short Takes

Preliminary results on using bacteria to clean up an oil spill in the Gulf of Mexico were "very encouraging," Texas officials say. The bacteria were tested after the Norwegian tanker Mega Borg burned on June 8, spilling nearly 4 million gallons (15 million liters) of light crude oil into the gulf. The process, bioremediation, places naturally occurring bacteria on oil slicks, reducing the oil to an emulsion of fatty acids; when the oil is gone, the bacteria die. There has been no evidence of environmental damage, but the effectiveness of bioremediation is still in question. Some experts say that wave action and evaporation are more effective.

Inflated toys popular with children can be hazardous if used as a substitute for life preservers, the Los Angeles Times reports. Critics note that the colorful toys, often in the shape of animals, can easily deflate while in the water, and they tend to tip over easily. They always carry labels warning that they are toys, not life jackets. "These toys give a sense of false security," warns Milton Freeman, the YMCA's national aquatics director. "Parents have a tendency to strap them in and leave for a minute, and that's all it takes."

For leisure reading, today's college students prefer paperbacks, preferably collections of cartoons like "Calvin and Hobbes" by Bill Watterson or "The Far Side" by Gary Larson, The New York Times reports. The current collegiate best-seller is the same that led general lists for months: "All I Really Need to Know I Learned in Kindergarten," folk wisdom by Robert Fulghum. But collegians also are buying the Tom Clancy adventure thriller, "Clear and Present Danger," and they enjoy such heavier going as Umberto Eco's "Foucault's Pendulum."

Phylloxera has returned to California. The plant louse infested 100 acres (40 hectares) of prime vines last year, and the figure is expected to double annually. The only known way to fight the pest is to graft grape plants onto phylloxera-resistant roots. One expert says replanting in the Napa Valley alone could cost $250 million.

A traffic sign in Los Angeles says, "6-Hour Parking, 10 A.M. to 3:30 P.M." Robert Glynn, a Los Angeles Times reader, sees that as "symbolic of the fast-paced quality of life today — you can park for six hours, but you have to do it in five and a half."

About People

Stephen Lang, 37, is featured on Broadway in "A Few Good Men" and in the new film, "Last Exit to Brooklyn." He says his first role on the New York stage was as the sentinel Marcellus in "Hamlet" in 1975. He recalls, "I got to say, 'Something is rotten in the state of Denmark.' Try to say *that* as if it's never been said before."

Fay Vincent, who became commissioner of baseball 10 months ago after a career in law and business, likes his job. "The wonderful thing is I finally got it lined up this time — avocation and vocation," Mr. Vincent, 52, told The Washington Post. "It's more visible than I ever would have imagined; it's more fun than I ever would have imagined."

Arthur Higbee

Phil Snell/Reuters

John Ciaccia, Quebec's native affairs minister, meeting with a masked Mohawk.

Canada's Mohawk Uprising

In Quebec, Indian Barricades and Police Blockades

By John F. Burns
New York Times Service

OKA, Quebec — Lucy Gaspe looked up St.-Michel Street, past knots of reporters and television crews, past police officers with pump-action shotguns crouching behind a wall of sandbags, to a barricade of upturned police cars and a front-end loader at the crest of the hill.

Now and then, the masked figures of self-styled Mohawk warriors appeared behind the cruisers, their camouflaged uniforms, field glasses and automatic rifles adding to the warlike atmosphere.

She sighed. "I never thought anything like this would happen here," she said.

As a Mohawk child in this lakeside community 33 kilometers (20 miles) west of Montreal, Miss Gaspe learned the Mohawks' history, and how their fortunes plunged after the arrival of the first Europeans nearly 500 years ago.

From her parents and tribal elders she learned how the Indian nations of the Iroquois confederacy ranged west along rivers rising in the heart of the continent, and how their lands were eventually lost to the guns of the people who settled Canada and the United States.

Miss Gaspe, 34, is a secretary in the Ottawa headquarters of the Assembly of First Nations, a lobby group that represents 525,000 Canadian Indians.

In recent years, Indians across Canada have become more militant in demands for land settlements and self-government rights. But when Miss Gaspe returned from the capital last week to prepare for a camping holiday, it was to a community where Mohawks and other townsfolk, many of them French-speaking, have mingled easily for generations.

Mohawks and non-natives stood in groups to exchange opinions on the drama that began at dawn Wednesday.

After a four-month standoff between local authorities and armed Mohawk youths blocking the expansion of a golf course, 200 officers of the Quebec Provincial Police attacked Mohawk barricades on the edge of town. In the melée, a 31-year-old police corporal died of a head wound.

With that bullet, this town of fewer than 2,000 people was transformed.

Hundreds of armed policemen have blockaded the town, setting up roadblocks on the lake's ferry dock and along the undulating road leading back toward Montreal. Mohawks coming down the hill from homes beside the golf course have been searched at gunpoint and refused permission to take groceries back up the hill.

"They treated me like dirt, just because I'm an Indian," said Miss Gaspe, referring to a policemen who ripped a tape out of her Sony Walkman, apparently because he thought it might contain a message from the Mohawks behind the barricades.

The Indians set up the barricades in March after losing a court battle to stop expansion of a nine-hole golf course onto land that was used by the Mohawks until 1717, when King Louis XV of France gave title to it to an order of monks.

The shootout on Wednesday occurred when the mayor of Oka demanded that the police enforce an injunction against the blockade. According to provincial spokesmen, the dawn attack was launched by the police without the provincial government's knowledge.

For Premier Robert Bourassa, the incident is a major political embarrassment.

He is faced with an angry 4,500-member police force, demanding justice in a colleague's death, and by residents of communities south of Montreal hamstrung by the blockade that sympathetic Mohawks from the Kahnawake Reserve have set up on approaches to the Mercier Bridge across the St. Lawrence River.

■ Bridge Accord

The Mohawk Indians embroiled in the land dispute have agreed to lift the Mercier Bridge blockade after a provincial official promised to reduce the local police contingent, The Associated Press reported from Oka.

The agreement was announced after the native affairs minister, John Ciaccia, met for more than six hours with Indian representatives Saturday. Mr. Ciaccia would not elaborate on the terms of the agreement, but a Mohawk representative said the Indians had agreed to reopen the bridge in return for a "significant reduction" of the police presence in Oka.

Forest Program in Brazil

Agence France-Presse

CARAJAS, Brazil — Brazil has launched a program to replant more than a million hectares (2.5 million acres) of cleared Amazonian rain forest with commercial trees.

Tuberculosis Re-emerges in U.S. Cities

By Elisabeth Rosenthal
New York Times Service

NEW YORK — Borne on a tide of AIDS, homelessness and drug and alcohol use, tuberculosis is re-emerging as a public health threat in the United States, particularly in inner cities.

Although the number of tuberculosis cases decreased steadily in the 1960s and 1970s, prompting public health experts to predict the disease's near elimination by the end of the century, the downward trend abruptly stopped in the mid-1980s.

Now, a worrisome rise in cases has begun.

The number of new tuberculosis cases in the United States rose by 5 percent in 1989 over 1988, to 23,495 cases. The number of new cases increased by 10 percent in New York City and by 35 percent in Newark, New Jersey, in 1989, the last year for which complete statistics were available.

"We're seeing some really disturbing patterns," said Dixie Edward Snider Jr., the director of the Division of Tuberculosis Control at the federal Centers for Disease Control in Atlanta. "We thought we had the problem licked, so we let a number of tuberculosis programs lapse. We're obviously having to rethink that."

Experts say the revival of tuberculosis is primarily linked to the AIDS epidemic, largely because people infected with the AIDS virus are unusually susceptible to tuberculosis. And the AIDS sufferers can spread tuberculosis to others.

The resurgence of tuberculosis is by far most serious in the inner cities, where AIDS infection overlaps with other conditions associated with a high risk for tuberculosis: homelessness, malnutrition, drug use, alcoholism, crowded living conditions and immigration from less developed countries where tuberculosis rates are high.

Some of the conditions weaken the immune system, and others increase the risk of being exposed to tuberculosis.

Tuberculosis is a chronic wasting disease caused by the mycobacterium tuberculosis, which is spread through the air, particularly in poorly ventilated spaces.

Although many people carry the germ, the disease can be spread only by those who have active tuberculosis, which is characterized by vigorous coughing and large pockets of the germ in the lung.

The disease can almost always be cured with medication. But untreated, half of all the patients die within two years of the first symptoms.

Before drug treatments were available, tuberculosis was a leading cause of death in the United States. It killed 88,000 people in 1930.

A healthy person who becomes infected with the tuberculosis germ has only a 10 percent chance of developing active tuberculosis over a lifetime.

But people who are simultaneously infected with the tuberculosis germ and the AIDS virus develop active tuberculosis at a rate of nearly 10 percent a year.

"I don't want anyone restricted from work, but doctors have to maintain a high level of awareness and have to push for more screening and treatment," said Michael Iseman, a tuberculosis expert at the National Jewish Center for Immunology and Respiratory Medicine in Denver.

"If you cough TB in an insurance office filled with robust people, none of them may get it," he said, "but if you do so in a nursing home or a nursery school, that won't be the case."

Young children and the elderly are most vulnerable to the disease because of their slightly imperfect immune systems.

The Centers for Disease Control strongly recommends that all patients who are infected with the AIDS virus be screened for tuberculosis.

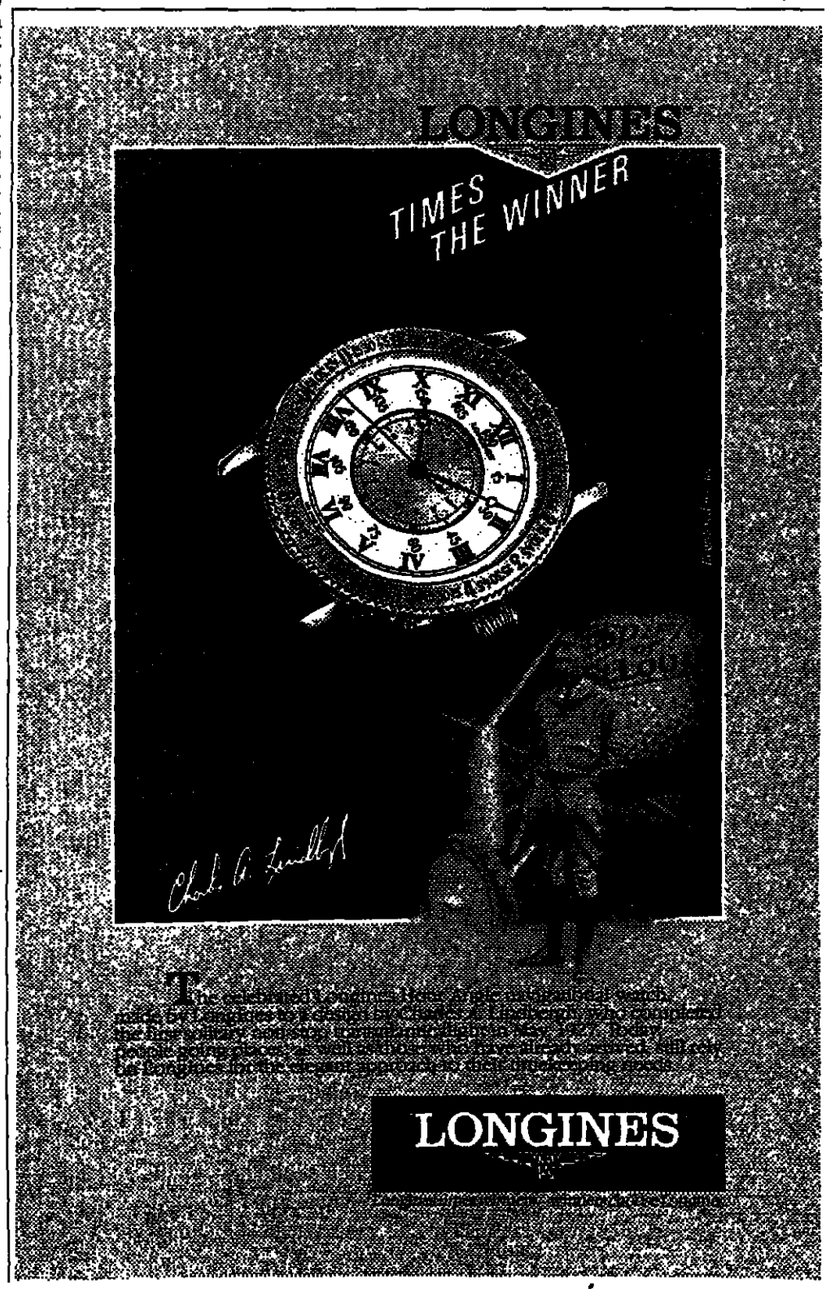
Research Group Details Illegal Abortions

Agence France-Presse

WASHINGTON — Illegal abortions worldwide kill a woman every three minutes, and for each woman who dies, 30 to 40 other clandestine abortion patients suffer serious health problems, according to a new study by a private research group.

The Worldwatch Institute, based in Washington said in the study, which was issued over the weekend, that at least 200,000 women died every year as a result of abortions carried out by unauthorized practitioners. More than half of the deaths occur in South and Southeast Asia, followed by sub-Saharan Africa, Latin America and the Caribbean, the study said.

"Laws and politics that restrict access to abortion don't curb the abortion rate — instead they cause women to die," Worldwatch said. The highest death rates from illegal abortions were found in Romania and in Ethiopia.



The celebrated Longines Hour Angle watch, which has been an engineer's delight since the first model was introduced in 1878, has changed little over the years. Except, of course, for the fact that it now keeps time to the nearest quarter of a second. Still one of the longest in the history of sport.

AN AMERICAN NEWSPAPER IN PARIS

James Gordon Bennett and the New York Herald

A special exhibition on the history and legends of the newspaper which has become today's International Herald Tribune.

Every day except Monday, through Sept. 30.
Musée d'Orsay, Paris.

INTERNATIONAL erald Trib
Published With The New York Times and The Washington Post
Edited in Paris TUESDAY, JUNE 10, 1989 Printed in New York
U.S.S.R

HEADING FOR NORTH AMERICA?

You Can Now Receive Same-Day Delivery of The Global Newspaper in Key American Cities.

To subscribe call us toll-free in the U.S.:
1-800-882 2884.
(In New York, call: 212-752 3890.)
Or write: International Herald Tribune, 850 Third Ave., New York, N.Y. 10022.
Or Telex: 427775. Or Fax: 212-7553785.

In Ethiopia, Jews Are Pawns In Leader's Arms-Supply Ploy

By Jane Perlez
New York Times Service

ADDIS ABABA, Ethiopia — Zewdu Sahelu, 55, an Ethiopian Jew who has never been to school and can neither read nor write, arrived in the capital of Addis Ababa two months ago from his farm, expecting to go to Israel.

He has no idea where Israel is, he said, but relatives already there had written to say he should come with his wife and six children.

Mr. Zewdu is among 15,000 Ethiopian Jews who have descended on this overcrowded, poor and tense city in the last several months.

Every evening they have been arriving in buses and trucks, carrying a few possessions from their farms in the Gondar region, about 500 kilometers (300 miles) to the north.

Emigration for Ethiopian Jews was part of the pact between Ethiopia and Israel when the countries resumed ties in November after 16 years.

But in the last several weeks the authorities have stopped issuing the exit permits that allowed 500 Ethiopian Jews to leave for Israel each month.

U.S. Representative Howard Wolpe, chairman of the House subcommittee on Africa, said that the Ethiopian government was holding up the exit permits as a way of pressing Israel to supply more weapons to Addis Ababa.

Western diplomats in the Ethiopian capital said they agreed with that assessment.

"Mengistu has upped the price" for the Ethiopian Jews, said one diplomat, referring to the Ethiopian leader, Lieutenant Colonel Mengistu Haile Mariam. The Israeli weapons have reportedly included cluster bombs.

Colonel Mengistu was said by those diplomats, Mr. Wolpe, and Representative Gary L. Ackerman to have visited Israel on July 4 and 5 with a long list of military assistance he needed in his battle against two guerrilla groups.

The two governments have strenuously denied that Colonel Mengistu visited Israel.

The Israelis have also denied that they have provided Ethiopia with military assistance since the resumption of relations.

The recent suspension in issuing exit permits was a joint decision, said Meir Joffe, the Israeli ambassador to Ethiopia.

Mr. Joffe said there were non-Jews among the large numbers of Ethiopians who recently arrived in Addis Ababa.

"Once we realized non-Jews were using the channel to leave Ethiopia we were alarmed," he said.

Mr. Joffe said applicants to emigrate to Israel would be more carefully screened to make sure the people leaving were Jews and had relatives in Israel.

The point of the immigration, he said, was family reunification.

In a clandestine operation in 1984, about 12,000 Ethiopian Jews migrated to the Sudan to be airlifted to Israel.

The operation was aborted in 1985 when it became public. About 15,000 Ethiopian Jews were estimated to have been left behind.

Since the beginning of the year, about 3,000 Ethiopian Jews have left for Israel, Mr. Joffe said.

Beijing and Moscow Plan a Joint Venture

The Associated Press

BEIJING — An agreement to set up the first Chinese-Soviet joint venture in China is expected to be signed within two months, according to an official report.

China and the Soviet Union have about 20 joint ventures, mostly restaurants, in the Soviet Union. But the planned textile firm in the northern autonomous region of Nei Monggol would be the first in China, the English-language magazine Business Weekly reported Sunday. The report did not say how much each side would invest or how the ownership would be divided.

François Rojon/Agence France-Presse

Ivory Coast Police Charge Opposition Supporters

At least two people were injured in Bonoua, Ivory Coast, when policemen using tear gas charged a crowd of about 1,000 supporters of the Ivorian People's Front. The organization opposes the Democratic Party of President Félix Houphouët-Boigny, the country's only legal political group.

Zulu Chief Forms Party In Challenge to ANC

By Christopher S. Wren
New York Times Service

JOHANNESBURG — In a tacit challenge to the African National Congress, Mangosuthu Buthelezi, the principal Zulu leader, is converting his organization into a multiracial political party that would claim a role in any negotiations on the nation's future.

Chief Buthelezi addressed a conference over the weekend of delegates from his movement, Inkatha, who had been called to form the new party.

Speaking in Ulundi, the capital of the Zulu homeland of KwaZulu, he made it clear that Inkatha wanted to prevent the ANC from claiming to represent the black majority. He accused the ANC of trying to monopolize political power and negotiate on its own with the white minority government.

"There is going to be a new South Africa with or without the ANC," he said. "We will not allow the ANC and its South African Communist Party partner to crush all opposition and emerge as the only viable political party."

He said the ANC blueprint for change was "basically flawed because it does not contain our wisdom and it is flawed because it does not contain the wisdom of others."

Inkatha's transformation into a political party seems unlikely to attract many new members because it remains so closely identified with the Zulus, the largest tribal group. It claims 1.7 million members among the more than 6 million Zulus and is the biggest black rival to the ANC.

The move is welcomed by many whites and some blacks who consider the ANC too radical.

The ANC, however, is only beginning to recruit members nationwide since being restored to legal status.

A bitter factional war is being waged in Natal province between Inkatha members and supporters of the ANC. The fighting has ravaged black towns and claimed more than 3,000 lives in the last five years.

The Zulu leader repeated his call on Saturday for a meeting with Nelson Mandela, a leader of the ANC, to discuss ways to end the fighting in Natal.

Mr. Mandela had agreed to appear with Chief Buthelezi in April, but pulled out when some of his Natal supporters complained. The ANC has announced a peace conference on Natal in Durban next month, to which neither Chief Buthelezi nor Inkatha are invited.

Chief Buthelezi broke with the congress a decade ago over its endorsement of armed struggle against white rule, economic sanctions and nationalization of important sections of the South African economy.

CAREER OPPORTUNITIES

AIGLON COLLEGE SWITZERLAND

DIRECTOR OF DEVELOPMENT

The British international HMC boarding school for 280 boys and girls in the Swiss Alps wishes to appoint a Director of Development, who will be responsible to the Governors for implementing a forward looking public relations policy designed to enhance the School's image on a world-wide basis.

As well as having a relevant professional qualification, the man or woman appointed will be experienced in all aspects of public relations, including marketing, media relations and fund raising.

A genuine interest in secondary education, an international outlook and fluency in at least one European language in addition to English will be important, and familiarity with independent schools in the UK and North America, highly desirable.

The Director of Development will report to the Headmaster and will occupy a key position in formulating policy for the future development of a well-established and vigorous school, which already enjoys an excellent international reputation.

The Director of Development will be based at the School in Switzerland. The salary will be negotiable.

Closing date: 6th August 1990

Applications should be addressed to the Chairman of the Governors, c/o the Headmaster. Further information and application form may be obtained from:

The Headmaster
Aiglon College
1885 Chesières-Villars
Switzerland.
Tel.: (025) 35.27.21 - Fax: (025) 35.28.11.

Growing foreign enterprise with over 700 employees, located in Warsaw/Poland, manufacturing laboratory and clinical equipment with worldwide distribution network, exclusive distributor of leading U.S. and European producers of clinical/analytical lab instruments in Eastern Europe seeks

VICE-PRESIDENT SALES AND MARKETING POLAND

The successfull candidate will be requested to relocate to Warsaw and take over the responsibility for sales management, market and products development at the local headquarters.

Requirements include: college/university degree or equivalent education, minimum 5 years of sales experience in related products, with preferred Eastern European market knowledge, a proven track record in business management, fluently speaking English, knowledge of Polish or Russian language desired.

We offer: accommodation in Warsaw, a competitive net remuneration including incentive bonus, good opportunities for personal growth in the changing world of Eastern European trading.

For candidate with family, international schools and leisure facilities available. For confidential consideration, please send your resume to:

Mr. MACIEJ JEDRASZAK
A. Baumgartnerstr. 44/C 40704
A-1232 Wien/Austria

Leading multinational healthcare products company is seeking for its operation in Riyadh, Saudi Arabia, a

FINANCIAL CONTROLLER

Candidate should have:
- Minimum three years of experience in multinational company with excellent knowledge of Accounting, Financial Analysis, Budgeting and Materials Management.
- Solid experience on P.C. (Lotus 1-2-3, Dbase).
- Excellent knowledge of English language. Knowledge of Arabic an asset.

We are looking for a young, aggressive and motivated Manager with prospective career opportunities within the Company. Salary/benefits commensurate with experience.

Send your C.V. and current photo to:

Ms. Aida Alyanak
P.O. Box 75080
GR-176 10 Kallithea,
Athens, Greece.

MANAGING DIRECTOR

An international group, leader in its field as a processor and exporter of agricultural products, is seeking a Managing Director for its Turkish affiliate in Izmir.
The company, operating out of a modern plant, employs a permanent staff of about 50 and 400 seasonal workers and has a yearly turnover of approximately $ 25,000,000.

The company has first class technical and commercial management and now wishes to strengthen all other corporate departments.

The chief skills required are:
- Proven qualities of leadership
- International financial experience
- First class business training
- Fluent English
- Reasonable Turkish or a propensity to learn it.

The gross annual remuneration will vary around $ 100,000 depending on the experience and qualifications of the person selected.

Please send applications to The Personnel Director F.A., POB 3455, Amsterdam-1001 AG, the Netherlands.

The International Federation of Newspaper Publishers (FIEJ) the world trade association for the newspaper industry, is seeking a

MARKETING MANAGER

for its Secretariat in Paris.

The responsibilities of this challenging post include:
- Organizing and devising programmes for professional seminars;
- Developing a wide-range of revenue-generating activities in the field of press management and marketing.

Candidates must be bilingual French-English, ambitious, have talent for personal contacts and the desire to become expert on the newspaper business internationally. Experience of working in newspapers a considerable advantage.

Write, with photo and salary expectations, to:
the Executive Director, FIEJ, 25, Rue d'Astorg, 75008 Paris,
in envelope marked "confidential".
Please note that only candidates called for interview will be contacted.

INTERNATIONAL INVESTMENT COMPANY

SEEKS

—**An ACCOUNTING SECRETARY**
able to run the accounting correspondance with fund manager. Special ability for organizing. Experience with Lotus/ Multimate/Wordperfect.

—**A full-time ACCOUNTANT**
with a solid financial accounting background (with experience in micro computer, IBM).

—**A BANK RECONCILIATION CLERK**
with experience in micro computers IBM and Lotus.

Qualified candidates with valid work permit, speaking French and English are invited to forward detailed curriculum vitae with photograph and telephone no. to:

Cipher U54820/051 - TRISERVICE S.A.,
P.O. Box, 1219 Chatelaine, Switzerland,
who will transmit.

SOCIAL/HEALTH SCIENTIST

THE POPULATION COUNCIL

Non-profit international research organization seeks social or health scientist with operations research expertise in the field of population/ health/family planning. This is a two year assignment, renewable by mutual agreement, based in La Paz, Bolivia. As Resident Advisor, she/ he will be responsible for designing, implementing, and evaluating all operations research and technical assistance projects in Bolivia.

Masters or doctoral degree in a social or health science related to population; at least two years field experience in Latin America; fluent in Spanish/English with proven writing ability in both languages. Data processing/analysis skills and strong managerial skills/experience.

Salary: low 30's-mid 40's dependent upon qualifications and experience; excellent benefits.

Forward resume to:

Dr. James Foreit, The Population Council,
Juan de Arona 645, San Isidro,
Lima, 27, Peru.

An EEO Employer M/F.

Assistant European Controller

PARIS — 300-350 KF

THE COMPANY: *The European operation of a medium-sized US industrial group.*

THE POSITION : *Actively involved in European-wide projects (design and implementation of an EDP system, development of a manufacturing strategy, possible acquisitions etc...), you will also be responsible for upgrading internal controls and procedures to meet changing business needs and for coordinating the management reporting and financial planning process.*

THE CANDIDATE : *A proactive graduate and EEC resident with fluent English and 3 to 6 years' financial experience, preferrably in an industrial environment, you are now looking to widen your experience in an international role. Knowledge of a second European language would be a plus.*

Interested candidates should contact Ivor ALEX in Paris on (33 1) 42 89 09 17 or send him a full CV quoting reference 1501/IAH to : NORMAN PARSONS - 12, rue de Ponthieu - 75008 PARIS.

Norman Parsons
CONSEIL EN RECRUTEMENT

PUBLIPANEL

EUROPEAN MARKETING AND OPERATION MANAGER

A major international valve manufacturer offers a unique opportunity to manage European operations. Candidates should have 10 years experience in marketing manufactured products in the refining and petrochemical industries. The ideal candidate will also be expected to have experience in international marketing and be willing to travel. They should be self-motivated, mechanically inclined and preferably bilingual.

Box 32405, I.H.T., 63 Long Acre, London, WC2E 9JH.

INTERNATIONAL CHAMBER OF COMMERCE

seeks
for the Policy and Programme Department
at its Paris Headquarters

A HEAD OF DIVISION

Minimum age 30
Bilingual English-French
With degree in Law

Preference will be given to a candidate with a background in international private commercial law and with experience in organising international meetings and drafting reports, mainly in English.

Please send complete resume with photograph and indication of salary to:

ICC - Personnel Director
38 Cours Albert 1er - 75008 PARIS

EXECUTIVE POSITIONS AVAILABLE

VARIETY, the world's #1 entertainment newspaper, seeks Sales Executive for its Champs-Elysees office in Paris, to cover France and Belgium. Candidates should preferably be under 40 years of age, speak and write fluent French, and have direct experience in media space selling. Send resume by post to Peter Cowie, European Publishing Director, Variety, 34-35 Newman Street, London W1P 3PD (phone (071) 637 3663, fax (071) 580 5559).

ASSISTANT MARKETING MANAGER for Monte Carlo, about age 30, fluent in at least 2 European languages other than English, minimum 3 years experience in a similar position. Salary negotiable up to F250,000 per annum depending on age and experience. Please send CV, letter and photo to Mr A.A Smith, Granite and Marble S.A.M., 14 av de Grande Bretagne, MC 98000 MONACO. Fax: (33) 93.50.26.43

EXECUTIVES AVAILABLE

KEEN YOUNG AUSTRALIAN executive seeks challenging position in Europe or Asia for sales engineer or management position, originally from HVAC Manufacturing industry. Fluent in English, basic French and currently studying Mandarin. Free to travel immediately. Would prefer Hong Kong, Tokyo or Taipei but any reasonable position will be considered. Phone or fax: 61-2-939 7493

BRIGHT YOUNG AMERICAN, 28 Fluent Spanish, German, conversational Italian, currently managing distributor sales in 8 countries mediterranean / Benelux for major US firm, seeks to offer experience and continued growth with progressive US firm in Europe or Asia. For CV please reply to Box 277, IHT, Friedrichstr. 15, 6000 Frankfurt 1, West-Germany.

DUTCH/ AMERICAN SALES & Marketing Professional with solid product distribution background, would like to represent small to medium size European Manufacturing Co., to develop new and/or increase existing sales in the U.S. Reply to: Fred Schreyder, 5143 Silverrail Dr., Canandaigua, New York 14424, U.S.A.

!COMPUTER COMMUNICATIONS! U.S. citizen with 25 years data center technical & management experience & language skills seeks European position. [3] Reply: 2300 Festhil Dr. 38, Miamisburg, OH 45342 USA.

AMERICAN, 35 Business/Management Graduate, strong technical background, seeks opportunity in Prague (spouse is Czech. Fluent German, some Czech. Replies: PMA, Postcard 6, Postlagernd, D-6460 Gelnhausen, FRG.

EXECUTIVES AVAILABLE

DYNAMIC FRENCHMAN, totally bilingual American, + German/Spanish, 17 years successful experience with major companies as Export/ Sales/Marketing manager Europe, Africa, Long stays USA & Saudi Arabia, willing to relocate and/or travel, seeks challenging position with potential. Fax Paris: (+33.1) 48.06.19.29

FRENCH SALES MANAGER, engineer, retired, strong experience int'l sales of industrial and pharmaceutical products. Fluent English, German, Italian and Spanish. Seeks part-time activity, representations, commercial missions etc... Reply to Box 1480, I.H.T., 92521 Neuilly Cedex, France.

RETIRED AMERICAN DIPLOMAT Relocating to Europe as consultant to promote investment to Eastern Europe. Speaks German, French, Spanish, Italian, Danish. International Commercial Services, P.O. Box 6981, McLean, VA 22106 USA or Tel: (703) 848-2370

FRENCH GENTLEMAN, 27 English, Spanish, Italian, Chinese, Indonesian, extensively travelled seeks world-wide challenging position as personal assistant/guide for VIP to Asia or other countries. Reply Box 1725, I.H.T., 92521 Neuilly Cedex, France.

JAPANESE WOMAN, 25 Long overseas experience. Bilingual, Japanese/ English. Looking for executive position in jewellery field. HV G.G., F.G.G. Free to travel. Please contact: P.O. Box 377, Yokohama Port Post Office, 231, Japan. Fax: 045-624-0692.

EXECUTIVES AVAILABLE

AMERICAN MANAGER, 33 Swiss resident seeks administrative/finance position in Paris or Geneva. Standford MBA, fluent French, entrepreneurial experience. Reply Box 1731, I.H.T., 92521 Neuilly Cedex, France.

GENERAL POSITIONS AVAILABLE

SMALL SUCCESSFUL INT'L PUBLISHERS REPRESENTATIVE COMPANY wants to add third sales person to sell advertising to established Dutch companies.
Your work can be done from anywhere in Holland.
Work full or part time.
Reply: I.H.T., P.O. Box 53196, 1007 RD Amsterdam.

SALES CONSULTANT. For the DHI Int'l Group. Five years experience necessary, bilingual French & English, able to travel extensively, initiator, ambitious, good appearance. Excellent pay + commission. Management & franchise opportunities. Work in London, Paris & Geneva. Please mail CV & photo to: DHI Medical Group, 17 Amerikis str., Athens 106 72 Greece or DHI, 37 Devonshire place, London W1N 1PE U.K.

OVERSEAS POSITIONS Hundreds of top paying positions. All occupations. FREE DETAILS: Overseas Employment Services, Dept. HT, Box 460, Mt. Royal, Quebec, Canada H3P 3C7.

GENERAL POSITIONS WANTED

AMERICAN WOMAN 35, seriously seeks work in Italy. College educated, 10 years experience computer programming, supervision, private tutoring, office management, training. Anything reasonable considered. Tel Caryn, office hours, London 081 207 6929.

ENTREPRENEURIAL FEMALE 34, with ideas, energy, talent, 2 degrees, computer skills, excellent appearance, seeks position overseas. P.O. Box 777 Adelaide St. Station, Toronto, Canada M5C 2L9. Tel: (416)485-1272.

CREATIVE AMERICAN WOMAN seeks job that fits. Psychology degree. Experience in management training, cross-cultural business, university teaching. Speaks some German/some French. Fluent tennis. Open to new directions. Box 2772, IHT, Friedrichstrasse 15, D-6000 Frankfurt.

MANAGER, HARVARD GRADUATE Speaks/writes fluent English, German, French, Italian. 7 years business experience, 4 years on international level (US-Europe), seeks challenging position. Please reply to: Box 5210, D.H.T., 850 Third Ave, 10th fl, NY, NY 10022

INTERPRETER/ESCORT, 25 years accompanying Foreign Dignitaries to US, seeks challenging assignment occasional or permanent. French, Italian, Spanish & German. Well read/travelled. Highest references. Box 1720, I.H.T., 92521 Neuilly Cedex, France.

ATTRACTIVE EUROPEAN LADY seeks interesting Personal Assistant position abroad. Tel N.Y. 212-935-9882.

GENERAL POSITIONS WANTED

AMERICAN 29 YRS OLD looking for European assignment. Business degree, experience in real estate, stocks & future markets. Formerly lived in Spain. Fluent in English, French & Spanish. Fax: 305-893-0467 Attn: J. Figueredo USA.

TROPICAL AGRONOMY EXPERT, 8 years experience in Africa with private firms and international organization, fluent French, English and Spanish, (Italian mother tongue), seeks for overseas position. Please tel: Italy, Pisa (39-50) 54 37 56.

PRINCESS OF .... Young woman, presentable appearance, multilingual seeks occupation as representative / assistant of exclusive international company in Germany. Please reply to Box 2270, IHT, Friedrichstr. 15, 6000 Frankfurt AM Main, W. Germany.

NOVELL CERTIFIED NetWare Instructor/Engineer seeks position in Europe. 4+ years experience in PC Networking. Speaks conversational French/German. Please write: 850 Boyl Closed Rd, Paso Robles, CA 93446 USA

GENERAL POSITIONS WANTED

ITALIAN VIDEO-REPORTER with experienced seeks agency for collaboration from Italy or Europe, willing to travel in east countries. Fax : (39-131) 71355. Please write to P.O. Box 133, 15100 Alessandria Italy.

BRITISH MAN, 27, Seeks employment in Banking/financial institution or law firm as an Accountant in France. Please reply to Box 3221, IHT, 63 Long Acre, London, WC2E 9JH

EDUCATIONAL POSITIONS AVAILABLE

CEFAM Centre d'Etudes Franco-Américain de Management requires professors of Management, Organizational Behavior, English, American Literature, Psychology and Natural Sciences. These B.A. level courses are taught in English here in Lyon and count towards the B.A., M.B.A. degrees granted by CEFAM, Northeastern University (Boston) and Temple University (Philadelphia). Send C.V. to Jean-Michel PERRENOT, 107, rue de Marseille, 69007 LYON, FRANCE.

TEACHERS, AMERICAN OR ENGLISH, bilingual, experienced, full time. Valid working papers. Tel: Cybele League of Paris (1) 42.89.18.26.(13h - 18h).

The Daily Source for International Investors.
International Herald Tribune

Soviets Shift Path Of Power

Party Surrenders Role to President

By Michael Dobbs
Washington Post Service

MOSCOW — The Soviet Communist Party has symbolically surrendered its domination of all state institutions by excluding senior government figures from its ruling Politburo for the first time since the 1917 Bolshevik revolution.

Traditionally regarded as the seat of real power in the Soviet Union, the new Politburo now seems likely to give up much of its authority to the presidential institutions established by President Mikhail S. Gorbachev.

Soviet officials said the expanded 24-member Politburo chosen Saturday by the party's newly elected Central Committee would confine itself to broad policy goals and internal party matters rather than the day-to-day running of the country.

Shifting power from the Communist Party to the government has been a goal of Mr. Gorbachev's reforms.

Mr. Gorbachev, who was reelected as the party's general secretary at the 28th congress that ended Friday, is one of only two holdovers from the old Politburo to be appointed to the new body. The other is the newly elected deputy general secretary, Vladimir Ivashko, the former party leader in the Ukraine.

Officials dropped from the Politburo include Prime Minister Nikolai I. Ryzhkov and Foreign Minister Eduard A. Shevardnadze as well as the KGB chief, Vladimir A. Kryuchkov; the state planning chief, Yuri D. Maslyukov, and the defense minister, Marshal Dmitri A. Yazov.

All have been appointed to the newly formed presidential council, an advisory body to Mr. Gorbachev, and all remain in charge of their ministries.

"This serves to underline that the party is totally breaking with the former practice when it was incorporated into the command-and-administer system and was at the top of the hierarchy," said Ivan Frolov, editor of the party newspaper, Pravda, and a member of the new Politburo.

"The party will be competing with other social and political forces," he added, "and seeking to establish its predominance mainly through an ideological and political struggle."

Mr. Gorbachev has sought to reshape the party in order to help it withstand the challenge from unhappy workers and consumers.

The new Politburo is dominated by the party leaders from each of the 15 republics, but it also includes senior party secretaries proposed by Mr. Gorbachev, many of whom are in their early 50s, and the Moscow party chief, Yuri Prokofiev, a moderate reformer close to Mr. Gorbachev.

The Politburo began losing its importance when Mr. Gorbachev was elected to the new post of executive president. Decisions that used to be referred to the Politburo, such as whether to deploy military units in an emergency, are now made by the president or the government.

In addition to the government ministers who have been dropped from the Politburo, several senior party officials have gone into retirement.

They include the former agricultural chief, Yegor K. Ligachev; the ideology chief, Vadim A. Medvedev; an economics expert, Nikolai N. Slyunkov; the Russian president, Vitali I. Vorotnikov, and the defense industry chief, Lev Zaikov.

Mr. Ligachev, the leading conservative and a Gorbachev challenger on the former Politburo, has been replaced as party secretary responsible for agriculture by Egor Stroyev, his understudy for the past year. Mr. Stroyev, a Gorbachev appointee, is regarded as somewhat more ready than Mr. Ligachev to encourage family farming as an alternative to state farms.

The new ideology chief will be Alexander Dzasokhov, a former Soviet ambassador to Syria.

A Taste of Capitalism (and a Whiff of Scandal) for Warsaw Investors

By Blaine Harden
Washington Post Service

WARSAW — Lech Grobelny, who often conducted business without benefit of shirt, shoes or a previous night's sleep, was Poland's answer to Donald Trump.

He made money. He constantly advertised himself in the press. He owned a yacht. He was often seen with a beautiful young woman. And he bragged all the time about how smart he was.

When Poles were frantic late last year to change zlotys into dollars, Mr. Grobelny obliged them and opened Warsaw's largest chain of money-changing shops. When Poles wanted a hedge against hyper-inflation, Mr. Grobelny obliged them and opened a private bank offering 180 percent interest on six-month deposits.

By this summer, however, the zloty had stabilized, the money-changing business had gone sour and hyper-inflation was gone. With his profit margin evaporating and his depositors starting to come in for money, Mr. Grobelny told his staff in June that he was taking a two-week vacation abroad.

Last week, in a discovery that has produced post-Communist Poland's first financial scandal, it became clear that Warsaw's most famous entrepreneur was not planning to come home.

Mr. Grobelny's employees sent a letter to the Warsaw prosecutor saying they had no idea where Mr. Grobelny was or what he had done with the 32 billion zlotys ($3.2 million) that 10,000 depositors had put into his Safe Savings Bank.

The Grobelny affair has been held up as an example and a warning that the Solidarity-led government must take immediate steps to protect investors who are unfamiliar with the risks of capitalism.

Stefan Bilinski, a deputy in the parliament, said this week that as the government introduces capital markets and sells off shares in state-owned industries, it must protect the public from swindles.

"There must be a system of safeguards in the form of government guarantees," Mr. Bilinski said. "The government cannot allow the uncontrolled issue of various shares."

Last December, when Mr. Grobelny was promoting himself and his bank in full-page newspaper advertisements, several public warnings were in fact issued. The National Bank of Poland said that depositors could not count on the law forcing Mr. Grobelny to pay back their money.

The Safe Savings Bank, under the law, was not really a bank. Mr. Grobelny simply signed contracts with individuals, promising money and interest at a certain date. There is no law to prevent, guarantee or regulate this kind of business.

On Marszalkowska Street in central Warsaw on Friday, employees refused to answer the door at Mr. Grobelny's bank and money-changing emporium. Hundreds of depositors — many of them pensioners clutching contracts in their hands — milled about in front of the locked-up office. They grumbled, cursed and exchanged phone numbers. Many wept and a few fainted.

Barbara Rozenik, a railway worker who in February deposited about 10 million zlotys at 180 percent interest, was one of those who wept. The money was her life savings, she said, adding that "there is nothing anymore that keeps me in this country. I have had enough."

The tabloid press in Warsaw quoted unidentified sources as saying that Mr. Grobelny had gone to South Africa. Other sources said he had sold his three Mercedes-Benz cars.

In an interview late last year, Mr. Grobelny cut a memorable figure, especially for a financier. On a freezing November afternoon, he sat in his chilly office wearing neither shoes nor shirt. He said he hadn't slept in two months. He was drinking Courvoisier brandy from a tall glass and chain-smoking.

Among other things, he said that the future of Poland depended on free enterprise, but that the newly elected leaders of Poland didn't know anything about it.

"The Poles are not stupid," he said. "Over all those years of Communist rule, they have learned how to hide their incomes. The government calculated that Poles have only a few billion dollars in savings, while I think that they have at least $40 billion."

Bankers here have acknowledged in recent months that Mr. Grobelny was right. Poles do have more dollar savings than was previously thought. Since the first of the year, when the zloty could be converted to the dollar at a stable rate, dollar reserves in the central bank have increased far above expectations.

There are, however, at least $3 million that did not find their way into state banks.

The Warsaw prosecutor, invoking a law dealing with "illicit acquisition of property," launched an investigation this week to find out what Mr. Grobelny had done with that money.

KOHL: *Gap Is Narrowed*

(Continued from page 1)

German finance ministers at Sunday's meetings underscored the importance of the economic aspect of the talks.

In his remarks Sunday, Mr. Gorbachev stressed the role of trade in shaping relations between the Soviet Union and the Germanys. In the past, he pointed out, West Germany has been the Soviet Union's biggest trading partner in the West, and East Germany its biggest in the East.

"Problems are numerous," Mr. Gorbachev said, "but on the other hand the existing ties are evidence of our potentialities."

Mr. Gorbachev bristled at the idea that Western countries should attach strings to their aid. "If we are treated in this way, it is unacceptable," he said.

The Soviet Union is not "looking for handouts," he said. "We are moving from one economic model to another which will turn the Soviet Union towards the rest of the world."

Mr. Gorbachev's victory over Soviet hard-liners at the 28th party congress, which ended here Friday, may also help ease negotiations over Germany's future, West German diplomats said. Several conservative Soviet delegates recommended taking a hard line on the German question during the congress, but in the end Mr. Gorbachev managed to submerge their viewpoint and squeeze them out of the Soviet leadership.

Sunday afternoon, the two leaders flew to Mr. Gorbachev's hometown of Stavropol, in the southern part of the Russian Republic. The two decided during their last meeting in Bonn to visit one another's birthplaces, Mr. Gorbachev said.

Michael Urban/Reuters

Mr. Kohl and Mr. Gorbachev at Moscow talks, which focused on a united Germany's military status.

■ Shake-up in Soviet Media

Mr. Gorbachev on Sunday ordered a radical shake-up of Soviet state-run television and radio which will effectively end the Communist Party's grip on the broadcast media, Reuters reported from Moscow.

In a presidential decree, Mr. Gorbachev said the development of genuine political pluralism and democratization "called for cardinal change in the nature of the country's television and radio broadcasting," Tass said.

The decree will give any party or public organization the right to open a television or radio station as long as they have the financial and technical resources.

The decree stresses that "this or that party, political current or group" cannot monopolize the airwaves, Tass said.

It stipulates that state-run broadcasting "should be performed independently of political and social organizations and should serve an impartial and all-round coverage of processes taking place in the country."

LIBERIA: *Fear Pervades an Uncertain Capital*

(Continued from page 1)

grenade, and boom — there's nothing left," a relief worker said. "And no one doubts that the Liberian Army is capable of doing that."

The army is dominated by members of Mr. Doe's Krahn tribe. Most of the refugees in Monrovia are members of the Gio and Mano tribes, which have provided most of the rebel rank and file.

Even those outside the fray are at risk. This correspondent was approached at a restaurant by a soldier carrying an automatic weapon and ordered to come to come to the main military barracks for questioning. There was an argument, the soldier insisting that it was not necessary for a U.S. Embassy official to be present.

By then, nearly a dozen armed soldiers had arrived. Several said they were concerned about rebel activity in the area and suggested that I might be involved. In the meantime, Dennis Jett, the deputy chief of mission, had been told of the situation and arrived at the restaurant. The soldiers finally allowed me to go to the embassy.

Besides the physical dangers of warfare, cholera or measles could cause devastation, and because medicine is in short supply, health workers are bracing for an outbreak of disease. Since June 27, Monrovia's main water-treatment center has been closed, and there has been no electricity for nearly as long.

Inside the walls of the cooperative school about 800 refugees, in scattered groups, while away the hours. There is no water, no electricity and virtually no food. The stench is oppressive.

Mothers try to comfort their children. "How can I give my babies milk if I have nothing to eat, nothing to drink?" a young women said, with a child at each breast trying to suckle. "When will this be over?"

"This is as close to anarchy as I could ever imagine," said one of the refugees at the school. Many refugees are already foraging for leaves. Some say that famine is just a few days away, but others say they can continue to scrape by, living life on the precipice, for months.

Nobody expects relief soon, even if the civil war were to come to a swift end. The predominant view among diplomats in Monrovia is that the Taylor rebels will besiege the city and wait for the Doe forces to collapse. Others say a decisive offensive is being delayed by infighting among the rebel leadership.

RULES: *A Lesson in a Japanese Schoolgirl's Death*

(Continued from page 1)

school, but in junior and senior high schools all across Japan," said Takeshi Hayashi, who has written a book protesting school rules.

Japanese education is often praised abroad for turning out graduates who score near the top of world scales in math, science and most other subjects.

But it is sometimes criticized for discouraging creativity and independent thought and for regulating the most minute details of students' dress and behavior.

Besides requiring uniforms, many schools regulate the color of underwear, demand that girls' socks be folded in a certain way and mandate shaved heads for boys. Others tell students they may not date, go to movies, leave home after sunset or play video games without the school's permission.

Infractions are often met with beatings or other corporal punishment or, less often, with measures aimed at public humiliation, such as being forced to expose one's underwear or lick a teacher's foot.

Last week, the Fukuoka school board announced that it was investigating seven junior high school teachers for burying two students in sand up to their necks and leaving them, at ocean's edge, for 20 minutes. The two eighth-graders had angered the teachers by refusing to admit that they had extorted money from classmates, as the teachers suspected.

The lead columnist of Asahi Shimbun, Japan's most liberal mass-circulation newspaper, expressed amazement and anger at the teachers' behavior. "What they did was nothing more than a case of collective violence," the newspaper said.

But the local school parents association, meeting Friday, voted to support the teachers' actions, in what many experts here say is a typical response from parents fearful of juvenile delinquency and anxious for their children to fit in.

"We should not tone down the spirit of our teachers," the chairman of the parents group said, according to the Japanese press. "We need this discipline."

At Kobe Takatsuka High School, where Miss Ishida died, teachers regularly patrol the school yard each morning performing *komoshido*, or gate guidance, inspecting uniforms and book bags and hurrying students along. Other students said that if they arrived late, or failed to leave school promptly at day's end, they were made to run laps. If they take too long running, they have to run again and are not allowed to go home until they satisfy the teachers.

One student told Mr. Kume's news program that just before Miss Ishida was crushed by the gate, he heard one of the teachers shout: "Forty-five seconds to go! Today I will definitely shut the gate!"

Another student said that students' clothing and book bags had been pinned by the fast-rolling gate in the past. On Friday, Mr. Nomura held a news conference to announce that from now on the iron gate would not be shut until 9 A.M.

"I gave guidance to not be late because that is a way for students to regulate their lives," he said earlier. "But the way the door was shut could be too rough. I think it can't be helped but to rethink our guidance to latecomers."

TERROR: *East Europe's Disclosures and the KGB*

(Continued from page 1)

cothèque that killed two U.S. servicemen and a Turkish woman and wounded 229 other people in April 1986.

The United States bombed Libya 10 days later, having intercepted radio messages from the Libyan Embassy in East Berlin indicating that agents of Colonel Gadhafi's government had been involved in the nightclub attack.

Whether the secret files or the terrorist suspects themselves will disclose any evidence implicating the Soviet intelligence agency is not yet known.

The KGB created and maintained close links with all the East European security services and, like them, for years denied any involvement with international terrorists.

"If the KGB hadn't been giving its blessing, none of the others would have been doing what they did," said Paul Wilkinson, director of the Research Institute for the Study of Conflict and Terrorism in London.

"The stuff that's come out so far is simply the tip of the iceberg," he said, although he asserted that the KGB, too, withdrew its active support by 1986 or 1987.

Peter-Michael Diestel, the East German interior minister, said last week that Schoenefeld Airport in East Berlin had been "a turntable for terrorists of all kinds" under Communist rule.

The State Security Ministry, he said, "had Carlos and the others completely under control," ostensibly to keep them from attacking targets in East Germany.

Mr. Diestel said that there was enough evidence to prosecute the former minister in charge, General Erich Mielke, 82, for obstruction of justice, and that Erich Honecker, 77, the country's former leader, "most probably" knew what his subordinates had been doing for the terrorists.

Although links between various Palestinian groups and European terrorists had been suspected by Western police officials for years, documenting them has become possible as democratically elected governments in Prague, East Berlin and Budapest have begun to lift the lid of secrecy.

Independent Television News in Britain quoted the director of the Czechoslovak factory that makes Semtex, Petr Mostak, as saying last month that 1,000 tons of the most powerful grade, Semtex-H, was sold to the Libyan military before 1980.

Independent Television also interviewed Zbynek Hybl, identified as a former major in a Czechoslovak special-operations group, who said he had held tests in November 1984 that showed that as little as 200 grams (7 ounces) of Semtex, would be enough to blow a hole in the side of an airplane.

He described the test as an anti-terrorist exercise.

Pan Am Flight 103 was brought down from 31,000 feet by a small, undetected Semtex bomb concealed in a baggage container inside a portable tape recorder, killing 259 people on board and 11 on the ground.

"The idea that Czechoslovak Airlines was a major terrorist target was ludicrous," Mr. Wilkinson said. "The supposition must be that they wanted to make this information available to people who were using it against targets in capitalist countries."

The Hungarian Interior Ministry disclosed last month that Carlos, thought to have been responsible for the terrorist attack on a meeting of oil ministers in Vienna in 1975, had been given sanctuary and training centers in Hungary after August 1979, and that he had later written a letter of thanks to Janos Kadar, the Communist leader at the time.

Last week, according to reports from Budapest, the ministry said that Carlos and up to 35 members of his organization, using Libyan and diplomatic passports, had been allowed to come in and out of Hungary until 1985, four years after the country became a member of the Interpol European police information network.

Mr. Diestel's disclosures that Carlos had also operated out of East Germany came after the arrest there last month of 10 West Germans wanted as members of the Red Army Faction, often known after its original leaders, Andreas Baader and Ulrike Meinhof, as the Baader-Meinhof gang.

Two of them have since been released. All had been provided with jobs, apartments and false identities in East Germany since the early 1980s, apparently by the State Security Ministry.

According to accounts in the West German magazine Stern, all the Red Army Faction members had sought shelter from Middle Eastern terrorist groups in Baghdad and Southern Yemen, but had been judged unreliable and taken to East Germany to start normal lives under new identities, vouched for by their Middle Eastern associates with the State Security Ministry.

Susanne Albrecht, one of the suspected members reportedly agreed last week to tell the West German authorities what she knows about the outlawed group.

A second suspect, Werner Lotze, also agreed last week to cooperate with the West German authorities.

"I hope that others will find the courage to end their participation" in the Red Army Faction, he said in a letter made public by his lawyer.

Terrorist Tied To East Berlin

The Associated Press

BERLIN — A West German newspaper said Sunday that a terrorist suspected of involvement in the 1972 Munich Olympics massacre of Israeli athletes was living in East Germany.

The newspaper Berliner Morgenpost said the terrorist, Abu Daoud, had lived at an East Berlin hotel until mid-1988. The daily also said Mr. Daoud was believed to be in East Berlin.

The East German Interior Ministry said Sunday that it was investigating the report. Interior Minister Peter-Michael Diestel of East Germany has said that the former East German security police, known as Stasi, had sheltered the man responsible for the 1972 attack, which left 11 Israeli athletes dead.

BRITAIN: *Memo Stirs Doubt on View of Germany*

(Continued from page 1)

according to the minutes of the meeting attributed to Mr. Powell, the Thatcher foreign policy advisor, were insensitivity, self-obsession and self-pity.

The memorandum pointed out that although there was a strong feeling among those present that "today's Germans were very different" from their pre-1945 predecessors, "this view was not accepted by everyone."

"It still had to be asked how a cultured and cultivated nation had allowed itself to be brainwashed into barbarism," it said. "It had happened once, could it not happen again?"

The memorandum then became more upbeat about the prospects that Germans had changed, that a reunited Germany would not become a danger and that "we should be nice to the Germans."

Nevertheless, the participants expressed "differing view over how genuine the Germans were," and discussed new European security arrangements, including U.S. and Soviet participation, whose primary objective would be to constrain a reunified Germany.

Moreover, the memorandum said, "the more assertive Germany became, the easier it ought to become to construct alliances against Germany on specific issues in the Community."

Gorbachev Agrees To Visit NATO, But Date Is Open

Reuters

MOSCOW — After an unprecedented meeting here with NATO's secretary-general, Manfred Wörner, President Mikhail S. Gorbachev has accepted an invitation to visit the headquarters of the Western military alliance.

No date for the visit to Brussels was set, Mr. Wörner said Saturday, adding, "I said he was welcome anytime."

Mr. Wörner, whose trip to Moscow was the first by a North Atlantic Treaty Organization secretary-general, said he told Mr. Gorbachev that he did not consider the Soviet Union an adversary, but a future partner.

Tass said Mr. Gorbachev had welcomed NATO's move toward cooperation, spelled out in a declaration issued by alliance leaders on July 6 after meetings in London.

Mr. Wörner, a West German, said he did not discuss the role of a united Germany in NATO. Tass said he and Mr. Gorbachev discussed the military status of a united Germany, but gave no details.

Only One Name
Brings You Complete
Daily Coverage
Of World Events
All Rolled-Up In One
Outstanding News Source.

Herald Tribune

Subscribe today and enjoy the best international daily news coverage at a savings of up to 50% off the newsstand price.

Country/Currency		12 months + 52 ISSUES	ONE YEAR SAVINGS	6 months + 26 ISSUES
Austria	A.Sch.	5,100	3,276	2,800
— hand delivery Vienna	A.Sch.	5,400	2,972	3,000
Belgium	B.Fr.	11,000	7,228	6,000
Denmark	D.Kr.	3,100	1,248	1,700
Finland	F.M.	2,000	1,326	1,100
France	F.F.	1,600	1,102	880
Germany (mail)	D.M.	600	419	330
— *hand delivery	D.M.	758	261	389
Great Britain	£	150	105	82
Greece (mail)	Dr.	33,000	28,860	18,000
— hand delivery Athens	Dr.	41,000	28,860	23,000
Ireland	Pnt	155	718	85
Italy	Lire	420,000	308,000	231,000
Luxembourg	L.Fr.	11,000	7,228	6,000
Netherlands	Fl.	600	492	340
Norway (airmail)	N.Kr.	2,250	1,350	1,200
— **hand delivery	N.Kr.	2,700	940	1,480
Portugal	Esc.	31,000	30,900	17,000
Spain (mail)	Ptas.	35,000	25,080	19,200
— ***hand delivery Barcelona, Bilbao, Seville	Ptas.	38,000	22,080	20,900
— ***hand delivery Madrid	Ptas.	51,480	—	25,740
Sweden (airmail)	S.Kr.	2,200	1,440	1,210
— **hand delivery	S.Kr.	2,800	840	1,540
Switzerland	S.Fr.	500	445	275
Rest of Europe, North Africa, former French Africa, Middle East	$	500	Varies by country	275
Rest of Africa, Gulf States, Asia	$	650		355
Central/Latin America	$	600		330

* For information concerning special hand-delivery in major German cities call IHT Germany at (069) 69.48.92 or fax (069) 69.48.94. Rates do not include free issues.
** At these rates, you can get morning hand delivery in the following cities: Oslo, Stavanger, Stockholm, Goteborg and Malmo.
*** At these rates, hand delivery is available by morning in Barcelona, the same day in Seville and Valencia and the next day in Bilbao. For Madrid, hand-delivery is available by morning, but without the free issues.

YES, I want one outstanding daily news source.
This is the IHT subscription term I prefer (check appropriate boxes):
☐ 12 Months (364 issues in all with 52 bonus issues). ☐ 6 Months (182 issues in all with 26 bonus issues).
☐ My check is enclosed (payable to the IHT).
☐ Please charge my credit card account
☐ American Express ☐ Diners Club ☐ VISA ☐ MasterCard
CARD ACCT. NO.
EXPIRY DATE SIGNATURE
NAME
ADDRESS
CITY/CODE
COUNTRY 16-7-90
TEL. FAX
Return your coupon to: Subscription Manager, IHT, 181 Ave. Charles-de-Gaulle, 92521 Neuilly Cedex, France.
The offer expires December 31, 1990, and is available to new subscribers only.

Solution to Friday's Puzzle

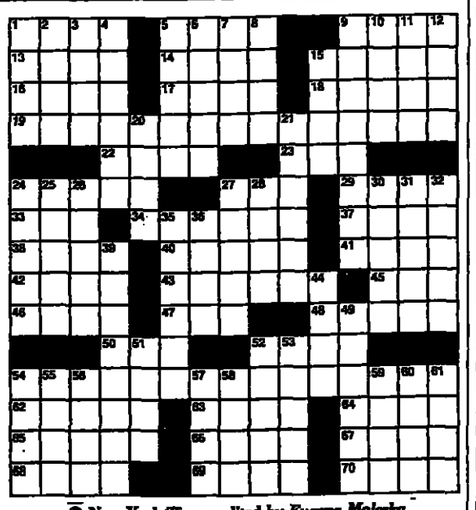
E	B	B	S		S	T	A	L	E		M	A	R	E
S	L	I	P		P	O	D	I	A		A	V	O	W
T	O	R	O		A	M	E	E	R		N	O	S	E
	C	R	O	O	K	A	N	D	N	A	N	N	Y	
			N	Y	E	T		E	S	T	E			
J	E	W	E	L		O	A	R		O	R	D	E	R
A	G	A	R		L	E	R		A	N	S	A	T	E
P	E	S		B	E	S	I	E	G	E		T	H	E
E	S	T	E	R	S		E	V	E		C	E	E	S
S	T	E	N	O		C	L	I		T	O	R	R	E
			R	O	M	E		N	E	E	R			
	N	O	O	K	A	N	D	C	R	A	N	N	Y	
M	A	L	L		S	T	E	I	N		E	A	S	T
E	V	I	L		T	R	I	N	E		A	R	E	A
W	E	D	S		S	O	N	G	S		L	Y	R	A

ACROSS

1 Deep-bodied herring
5 Clan member
9 Ritzy
13 Fabled loser of a race
14 Own
15 Carved gem
16 Lamb's pen name
17 By mouth
18 Mountain nymph
19 Hemingway novel: 1929
22 Long ago, long ago
23 Antiquated
24 Reptile charmed or feared in India
27 Allopaths and osteopaths: Abbr.
29 Wahoos
33 Toreador's ovation
34 Puts away
37 Kind of beer
38 Start of a smoke signal
40 Singly
41 Singly
42 Daredevil Knievel
43 Joan, the comedienne
45 Houston or Jaffe
46 Network of nerves
47 Digit
48 Nerd's cousin
50 Org. of 27 Across
52 Distant
54 Hemingway novel: 1926
62 Part of H.R.H.
63 Lollobrigida
64 Josip Broz
65 Goodnight girl
66 City in central Utah
67 Statue in Piccadilly Circus
68 Yesterday
69 Needlefish
70 City on the Truckee

DOWN

1 N.Y.C. stadium
2 Moiety
3 Song for Stratas
4 More lovable
5 Exhibits
6 Insertion mark
7 Elliptical
8 Legendary Swiss marksman
9 Marchers
10 Hebrew measure
11 Juncture
12 Mortar holders
15 Laid back
20 Eon constituents
21 Quarterback, at times
24 Quail
25 Martini garnish
26 Hem in
27 Went by car
28 Coty or Cassin
30 Relaxed
31 Grinding tooth
32 Kind of dance
35 Clan's emblem
36 Hodgepodge
39 Amiable
44 Galaxy member
49 Christie or le Carré
51 Stubborn beast
52 Mary Tyler Moore's boss: 1970-77
56 Peepers
53 Suds
54 Stumble
58 Israeli round dance
57 Eager
59 Italian money
59 Parent
60 Kind of jacket
61 Passing fair



© New York Times, edited by Eugene Maleska.

Herald INTERNATIONAL Tribune
Published With The New York Times and The Washington Post

Yeltsin's Different Path

Mikhail Gorbachev remains hopeful that the Communist Party, still the only nationwide political force, provides the best vehicle for reforming the Soviet Union.

Boris Yeltsin, arguing that hard-liners who still dominate party ranks are unreformable, now abandons the party to take a different path to radical change.

Dedicated democrats can only cheer his decision. His departure, followed Friday by city leaders in Moscow and Leningrad, may increase political instability in the near term. But it is likely to promote political *pluralism* — ultimately a critical part of that torn country's future.

Mr. Yeltsin became the most prominent Soviet Communist yet to break ranks with the party. That distances him from the increasingly unpopular apparatchiks. If he goes on to help found a new party, Mr. Yeltsin, Mr. Gorbachev's archrival and the leader of the Russian Republic, has the political stature to make it viable.

Thousands of democratic and reform-minded citizens have left the stultifying confines of the Communist Party to build new political organizations. Some Gorbachev supporters hope he will eventually join them.

But the Soviet leader is reluctant to leave because the party, even as it splinters, remains one of his few real levers of power.

And he did well to hold off hard-liners in the just-concluded party congress, and to continue on his reform path. But as Mr. Yeltsin rightly maintains, party regulars fight Mr. Gorbachev every step of the way, and that is not likely to change.

Quite apart from the best way to proceed with reform, enthusiasm for Mr. Yeltsin among his fellow reformers is mixed, and justifiably so. They find him too much a demagogue to be a convincing democrat and too much a populist with contradictory proposals to be truly principled about reform.

Mr. Yeltsin talked about allowing the Baltic republics to break away from the Soviet Union. Now he backs a new law of sovereignty that would give all the Soviet republics greater independence within the Soviet Union. He also proposes to move more rapidly than Mr. Gorbachev toward freer markets, but insists on fully protecting all workers. That is good politics but impossible policy: Freer markets will lead to higher prices and unemployment.

How he can hold together his constituency of enthusiastic reformers and wary workers remains to be seen.

But whatever his personal and programmatic shortcomings, Mr. Yeltsin has decided to abandon the Communist Party. That will discomfit Mr. Gorbachev, who had hoped to renew the party with radical support. But it also could accelerate the Soviet Union's progress toward democracy.

— THE NEW YORK TIMES.

Sandinista Identity Crisis

If the Sandinistas think their influence in Nicaragua's army, police and unions entitles them to force the elected government of President Violeta Barrios de Chamorro to share power, they do not understand what democratic politics is all about.

The Sandinistas' attitude has serious implications, since they remain strong enough to disrupt the new government's plans for national healing and economic revival.

Mrs. Chamorro is boldly gambling that by accommodating their latest demands she can encourage their belated adaptation to a democratic environment.

The 10-day Sandinista-led general strike, which brought barricades and armed clashes to the streets of Managua last week, ended on terms favorable to the strikers.

These include not only wage increases but political concessions like union consultation on key economic policies, pledges against large-scale layoffs of government workers and an end to the government program for returning confiscated land.

Those terms represent a blow to Managua's plans for economic recovery.

Mrs. Chamorro apparently felt the economic concessions were necessary to avoid a dangerous political confrontation. Whether her gamble pays off depends on how the Sandinistas resolve their identity crisis.

In the run-up to February's election, President Daniel Ortega Saavedra pledged to the world that the Sandinistas had committed themselves to the democratic process and would fully abide by its results.

But other Sandinista leaders sent a different message, vowing never to relinquish the "permanent conquests" of their revolution.

The Sandinistas cannot go on having it both ways. Do they mean to continue as a self-appointed vanguard insurrectionary movement, or will they assume the responsibilities of a democratic opposition party?

Nicaraguans did not oust the Sandinistas in order to continue failed economic policies or to install another one-party regime.

The Sandinistas now have a chance to help consolidate the democracy they paid lip service to in the past.

They could serve Nicaragua well and honorably as a vigorous opposition party, and potential alternative government for the future. That would allow plenty of scope for vigorous debate in parliament, the news media and places of work.

Mrs. Chamorro, eager for national conciliation, has been both patient and generous. The rest is now up to the Sandinistas.

— THE NEW YORK TIMES.

Justice for the Disabled

Americans born after the passage of the 1964 Civil Rights Act probably look back with amazement to the time when, in the South, schools and hospitals were segregated by law, the races were separated on buses and trains and water fountains were designated black or white. The country went through great turmoil before those practices were changed. But after much resistance and struggle, society was transformed. The country became more just.

On Friday, the Senate completed action on a bill to ensure the rights of the disabled, and it promises to have some of the same kind of impact. The measure extends the protections of the 1964 law to 43 million Americans with physical or mental impairments. It will prohibit discrimination in employment based on disability. It will require places of public accommodation, like restaurants, hotels, theaters and stores, to be accessible to disabled patrons and will mandate the gradual fitting of buses and railroad cars with equipment that can accommodate the handicapped. It will make telephone services available for the deaf and speech-impaired, nationwide.

There has been much discussion of the cost of implementing all this. A key distinction must be made. Before, all the costs of discrimination were borne by the disabled. Now they will be gradually spread to taxpayers and the consumers of goods and services. With no great strain, we suspect, those costs will be absorbed and accepted.

When President Bush signs this bill, as he has promised to do, millions who will directly benefit by its provisions will have cause for celebration. So will their fellow citizens; a new era of fairness and opportunity will begin.

— THE WASHINGTON POST.

Other Comment

Cautious Help for Gorbachev

President Gorbachev desperately needed the victory he achieved at the Communist Party Congress. A party that has done little to aid change or remove corrupt and discredited bureaucrats from office has been brow-beaten into accepting that the inevitable consequence of glasnost, perestroika and the revolution in Eastern Europe is a rapid and deep diminution of its power. The 3,411 to 1,116 vote he won in the ballot for general secretary, together with structural and personality changes in the party's hierarchy, do not guarantee success for his reforms. The harder challenge remains the provision of a better life to the Soviet people, and the application of the difficult changes needed to bring an economic revolution.

Mr. Gorbachev should be helped in trying to improve the people's lot. But aid should be given cautiously and deliberately. The promise of aid in technology, announced by the U.S. secretary of state, James Baker, is a start. The rider must be applied, however, that aid must be linked closely to progress in expanding the trend toward personal and economic freedom and democratization. The congress agreed to structures that would enable the party to compete in multiparty contests. That should point the way to the future.

— The Australian (Sydney).

A Japanese Hand for China

Japan has become the first of the large industrialized countries to make a concrete gesture to end China's isolation. Prime Minister Toshiki Kaifu announced in Houston that Japan would resume a loan package to China for development projects. Japan should be commended; the largest Asian economic power is coming to terms with its role in international relations. Asian nations believe that isolation of China would endanger peace and security within the region. China is capable of change, they think, given time to heal its wounds.

— The Nation (Bangkok).

NASA's Lesson in Simplicity

After many spectacular achievements, the U.S. space agency may now be relying on systems that are too complex to be operated with the necessary degree of dependability.

[In Japan], 75 companies have banded together to form Rocket Systems Corp., a consortium to supply parts for the H-II launch rocket being designed by the Japanese space agency. The H-II is expected to perform a number of missions, including the lifting of logistical supplies to the Freedom space station. We trust those involved with Rocket Systems will learn from America's experience and make every effort to simplify the H-II vehicle as far as possible.

— The Japan Times (Tokyo).

INTERNATIONAL HERALD TRIBUNE
JOHN HAY WHITNEY, *Chairman 1958-1982*

KATHARINE GRAHAM, WILLIAM S. PALEY, ARTHUR OCHS SULZBERGER
Co-Chairmen

LEE W. HUEBNER, *Publisher*

JOHN VINOCUR, *Executive Editor* • WALTER WELLS, *News Editor* • SAMUEL ABT, KATHERINE KNORR and CHARLES MITCHELMORE, *Deputy Editors* • CARL GEWIRTZ, *Associate Editor* • ROBERT J. DONAHUE, *Editor of the Editorial Pages* • REGINALD DALE, *Economic and Financial Editor*

RENÉ BONDY, *Deputy Publisher* • RICHARD H. MORGAN, *Associate Publisher* • FRANÇOIS DESMAISONS, *Associate Director* • JUANITA I. CASPARI, *Advertising Sales Director* • ROBERT FARRÉ, *Circulation Director, Europe* • KOURDT HOWELL, *Director, Information Systems*

International Herald Tribune, 181 Avenue Charles-de-Gaulle, 92521 Neuilly-sur-Seine, France. Tel.: (1) 46.37.93.00. Telex: Advertising, 613595; Circulation, 612832; Editorial, 612718; Production, 630698.

Directeur de la publication: Richard D. Simmons

Editor for Asia: Michael Richardson, 5 Canterbury Rd., Singapore 0511. Tel.472-7768. Tlx RS56928 Mng. Dir. Asia, Rolf D. Kranepuhl, 50 Gloucester Rd., Hong Kong. Tel. 8610616. Telex: 61170 Mng. Dir. U.K., Garry Thorne, 63 Long Acre, London WC2. Tel. 836-4802. Telex: 262009 Gen. Mgr. W. Germany: W. Lauterbach, Friedrichstr. 15, 6000 Frankfurt/M. Tel. (069) 726755. Tlx 416721 Pres. U.S.: Michael Conroy, 850 Third Ave., New York, N.Y. 10022. Tel. (212) 752-3890. Telex: 427175 S.A. au capital de 1.200.000 F. RCS Nanterre B 732021126. Commission Paritaire No. 61337

© 1990, International Herald Tribune. All rights reserved. ISSN: 0294-8052.

OPINION

Gorbachev: A Bravura Performance in Vain?

By Marshall D. Shulman and Colette Shulman

NEW YORK — Like a star in the Moscow Circus, Mikhail Gorbachev stood astride two galloping horses at the 28th Party Congress, brandishing his whip first at one and then the other, to keep them from moving too far apart. Almost to the grand finale, the two horses — the conservatives and the reformers — foaming and bucking, were held together by the realization that otherwise there would be no circus act left.

It was a bravura performance, carried off by Mr. Gorbachev's guts and sublime self-confidence, against great odds. Why did he fight to hold the party together, when it so clearly is in decline? He had no choice.

Weakened though it is by decades of incompetence and corruption, the party is still the most organized force in Soviet society, and retains considerable power to obstruct reform. Mr. Gorbachev concluded that for a time at least — one year? two years? — he had to maintain control of the party. This would prevent the grumbling conservatives from going over to a hard obstructionism in coalition with other anti-reformers among the Russian nationalists, elements of the military and blue-collar rednecks.

The old-line party apparatchiks, who predominated at the congress, groused about Mr. Gorbachev's changes but had no alternative program to offer. After taking what concessions they could get, they decided that whatever hope of survival they might have required them to stick with Mr. Gorbachev.

The radical reformers, a small minority among the delegates, were uncertain up to the end of the congress whether Mr. Gorbachev needed their support to limit the conservatives' attack. But the dramatic resignation from the party of Boris Yeltsin, the president of the Russian Republic, and others convinced the Democratic Platform reform group to leave the party and seek a coalition with reformers outside the party.

The present system of dual power between the party apparatus and the reformers working through the state structure is at best an unstable and precarious compromise. The party will be further weakened by defections, splits and popular resentments (as in last week's miners' strike), while the reformers and the legislative and presidential state structures will grow in experience and organization.

Mr. Yeltsin's enormous popularity as a symbol of opposition to the party will accelerate the formation of a multiparty system and the decline of the Communist Party.

At some point, Mr. Gorbachev will be able to let the party go its own way, relying instead on the political base he has established in the presidency.

The most moving description of the party's moral bankruptcy came not from Mr. Gorbachev but from his No. 1 brain-truster, Alexander Yakoviev. The problems the party faces, Mr. Yakoviev told the congress, arise "not just from empty shelves, but from empty souls." And yet he, like Mr. Gorbachev, clings to the idea and ideals of socialism, after the model of Western social democracy.

Eventually, he will be able to let the party go its own way, relying on his base in the presidency.

What this will mean in practice is hard to say, given the language of tactical compromise Mr. Gorbachev used to hold the congress together: yes to market reforms and democracy, no to capitalism; yes to borrowing techniques and technology from the West, yes to demonopolization and to diversity of forms of ownership and enterprise, but no to privatization.

It may come down to what he calls "market socialism" — a market economy with a large safety net to reassure a people long accustomed to the comfort of paternalism.

What are Mr. Gorbachev's prospects? By his victory over the bid of the old-line party apparatus to preserve its power and privileges, he has secured one flank. He gave ground where he had to, but gained a watering-down of the Central Committee and the Politburo, which will now be composed mainly of republic party secretaries. This, Mr. Gorbachev hopes, will dilute conservative power in the Politburo and will moderate pressures toward autonomy on the republic party secretaries.

Mr. Gorbachev also ensured that the Central Committee could not oust him as it did Nikita Khrushchev, and he was able to obtain, as deputy general secretary, Vladimir Ivashko, a man who, while conservative, is pragmatic rather than ideological in the style of Yegor Ligachev.

But the political forces Mr. Gorbachev has unleashed represent a mounting challenge to his exercise of power from the center. The republic and some big-city soviets (councils), popular fronts, political parties and workers' unions are increasingly assertive, pressing for a devolution of power and policy that will continue to test his political skills.

For now, Mr. Yeltsin's difference with Mr. Gorbachev is a matter of timing. Mr. Gorbachev had sought to postpone the splitting off of the reformers in hopes of limiting the conservatives' attack on the reforms until they lost the power to do so effectively.

In the longer run, Mr. Yeltsin's unpredictability makes it difficult to judge whether he will lead a popular challenge against Mr. Gorbachev's leadership and whether, as leader of the Russian Republic, he will complicate the Gorbachev efforts to find a balance between the powers of the central government and the claims of the republics to greater autonomy.

Two problems in particular will come to a head in the coming months. One is how to flesh out the Treaty of Union ("a union of sovereign states," as Mr. Gorbachev has called it), alongside the resolution of the independence of the Baltic states.

The other is to gain some political stability by getting more food on the table quickly through short-term measures and, if possible, with foreign assistance, and to set up the infrastructure needed to move toward a market economy. Mr. Gorbachev has assigned a newly organized team of staff economists to prepare, in time for the September meeting of the Supreme Soviet, a plan for economic reform with the coherence and decisiveness so far lacking.

Strengthened by his victory at the party congress, Mr. Gorbachev has bought time with which to continue his Herculean struggle.

Colette Shulman is a writer and lecturer on Soviet affairs. Marshall D. Shulman is professor emeritus of international relations at the Harriman Institute, Columbia University. They contributed this view to The New York Times.

New Germany: Not Just a Bigger Federal Republic

By Robert Gerald Livingston

BALTIMORE — It is easy to believe that a unified Germany will essentially be the Federal Republic writ large, the loyal NATO ally that for 40 years has been *the* Germany for Americans. Each passing week, reunification looks more and more like East is simply being absorbed by West.

Ministries in Bonn are already running the "German Democratic Republic." East Germans scurry to adopt the practices, values and identity of the Federal Republic, whose constitution and democratic institutions have helped Germans regain the respect and trust that Hitler gambled away.

But the resulting nation will differ from the Federal Republic in ways now difficult to discern. One characteristic is already clear: The new Germany's foreign policy orientation is moving eastward. The re-emergence of a unified Germany will thus shift the European power balance profoundly.

During the past two months, the real business of bringing about German reunification has been conducted in intensive talks between Hans-Dietrich Genscher, the West German foreign minister, and his Soviet counterpart, Eduard Shevardnadze. Chancellor Helmut Kohl is now in Moscow to put the finishing touches on a deal that will include huge West German economic and military concessions.

Bonn has already committed itself to be the Soviet Union's chief banker and benefactor. It will guarantee a $3 billion credit line extended to the Soviet Union by the big German financial institutions, led by the Deutsche and Dresdner banks. It will pay hundreds of millions of dollars to get the 380,000 Soviet soldiers out of East Germany in the next three to five years. It pledges to carry out the terms of all East Germany's official trade agreements and to fulfill all contracts East German firms had with the Soviets.

And in keeping with its view that "legitimate" Soviet security interests must be respected, West Germany last week agreed to do what it has long insisted it would never do — impose strict limits on the size of the German armed forces.

These concessions are more than negotiating ploys to buy Soviet assent to German unity. They presage and lay the foundation for the new German move east. Its nature will not become evident immediately, since Germans will be absorbed in reconstituting the ruined East German economy. For the remainder of the 1990s and beyond, however, the new Germany will increasingly turn to Eastern Europe and the Soviet Union.

For centuries, German influence in what has suddenly become Europe's new political and entrepreneurial "frontier" has been strong. As Soviet influence rapidly wanes there, German dominance will fill the vacuum.

Germany's *Mittellage*, its central location in Europe, has always determined its foreign and much of its domestic policy. It becomes a huge economic and political advantage in a Europe that is no longer divided.

Already, Germany champions the causes of Poland, Czechoslovakia and Hungary within Western economic and political organizations. More important, it is becoming the Kremlin's advocate in Europe. Mr. Kohl and Mr. Genscher have fought to ensure that a collapsing Soviet Union not be humiliated politically or excluded from Europe. They have emphasized the importance of the Conference on Security and Cooperation in Europe, or CSCE, as a political clearinghouse precisely because it is best suited for keeping the Soviets involved in Europe's affairs.

Adding East Germany will strongly reinforce the German tilt eastward. Seventy percent of the German Democratic Republic's trade is with the East, nearly 40 percent of it with the Soviet Union. Networks and relationships with Soviet and East European partners have multiplied over the past four decades.

All this does not presage the long-time nightmare of U.S. and French planning staffs — a new "Rapallo," a German-Soviet deal that turns the Germans away from the West. The Western links Bonn established in the postwar years will not be discarded. But their import will diminish as the ties to the East become more binding.

Germany's turn to the East is bound to transform the Western structures to which the Federal Republic belongs. German membership in NATO will continue, but only as a transition to the Germans' preferred solution: membership for all NATO and Warsaw Pact countries in looser collective-security arrangements based on the CSCE. If the new Germany gets its way, NATO will become a subsidiary of the CSCE.

Germany's most important Western anchor will be the European Community. There, with France in tow, Berlin can best exercise its power in Western Europe and keep the EC open to the East European countries, perhaps even to the Soviet Union.

Hitler tried to make Europe a bulwark against the Russian Bolsheviks. His disastrous war brought them into the heart of the continent instead. Today's German leaders see their mission as keeping the Soviets in Europe — not militarily, but politically, economically and culturally.

Theirs can be a risky game. Brimming with confidence, Mr. Kohl and Mr. Genscher are intent on bringing Germany's Western partners along. Their Germany, they contend, deserves to be trusted; its people have definitively changed since Hitler's era. Sharing Western liberal democratic values, irrevocably incorporated into Western institutions and possessing a dynamic economy, Germany is best equipped to win and keep Eastern Europe and Russia for the West.

The writer directs the American Institute for Contemporary German Studies, an affiliate of Johns Hopkins University. He contributed this comment to the Los Angeles Times.

To Those Who Lament Its Passing . . .

By A. M. Rosenthal

NEW YORK — I read that a former newspaper colleague of mine is so depressed by the way things are in the United States these days that he says it reminds him of Romania.

Then, a day later, I came across two pieces on the Op-Ed page of The New York Times singing laments about how America had wounded itself fighting the Cold War.

One said the United States had already become a militarized national security state. But that was positively lighthearted compared with the other piece.

That one said that the "North American colossus is now widely regarded as a colonial power whose verbal championship of freedom, democracy and social reform cannot be taken any more seriously than that of the Soviet Union."

You hear that, Colossus?

That is what the man said. Widely regarded. You could look it up, if you don't believe me.

No, this writer, Christopher Lasch, was not trying to be funny.

His final pronouncement *(IHT, July 13)* was that the choice between the Soviet and American "empires," even the "abstract choice between socialism and capitalism," no longer interests the rest of the world.

I am sending copies of that show-stopper to some Czechoslovak politicians, Polish unionists and Hungarian economists I know.

Somehow they and Soviet democrats believe the difference between capitalism and socialism is the difference between national survival and national death. They could use a few chuckles nowadays.

But the man is a history professor and must have meant what he wrote.

So now comes a cautionary word to readers who believe the United States has become a police state or is so lowdown mean and dirty, so weakened in soul and ethic, that you cannot tell it from the Soviet Union.

WARNING: What follows is extremely sentimental about the United States, very God Bless America. So don't read further. It will make you sick.

□

On Friday I went down to Battery Park in New York to watch a naturalization ceremony.

There were flags, a snappy small band, a police honor guard, the oath of allegiance, "The Star-Spangled Banner" belted out.

Warning: This is very God Bless America.

The ceremony was held outdoors and, get this, you could see the Statue of Liberty. Wait, it gets worse — some of them cried.

Thirty countries of birth were represented, 66 people in all — 34 from the Caribbean, 10 from Asia, 12 from Central and South America, 3 Africans and 7 Europeans.

Chief Judge Charles Brieant of the U. S. District Court for the Southern District of New York, whose grandfather was a bone-poor immigrant from England and who has the best handlebar mustache in the federal judiciary, had all 66 swear to renounce foreign potentates and bear arms for America if needed.

A young man in army uniform nodded as he held up his hand and so did a Caribbean woman who was 70 if she was a day.

The judge and Betsy Gotbaum, the parks commissioner — the Battery is part of her domain — made short, sensible speeches.

The judge said nobody had to tell the new Americans the meaning of America — they chose the country and then chose to work to take the ceremony of belonging.

The commissioner said if the new Americans ever needed information about the parks, just call her.

I do not know what was in the minds of the people at the Battery or the other 250,000 people who become Americans every year.

I only know what was in my own mind decades ago when I swore that Canada's potentate would have to get along without me:

It was that in the United States you become a member of the national society the moment you take the oath and forever are so considered and name yourself: American.

I could live in almost any other country the rest of my life after taking its citizenship and never be thought of as an Englishman, an Italian, a Frenchman. That difference is important to me.

Before they left Battery Park, 66 men and women carefully put away their naturalization certificates and their small gift flags from the Daughters of the American Revolution to keep forever. Then strangers from different parts of the world kissed; suddenly they had something dear in common.

I thought of mentioning that piece about the United States being widely regarded as no different from the Soviet Union when it came to championing democracy and asking some of the new Americans what they thought about that.

But I was afraid they would think I was some kind of a klutz.

The New York Times.

A Pill That Could Make A Difference

By Flora Lewis

PARIS — Lucien Paye, head of the OECD, which groups 24 industrialized countries, was asked what worried him most on the horizon.

U.S. budget and trade deficits? Protectionism? Recession?

"It depends if you talk short-term or long-term," he answered. The serious concern, out about a decade, "is demography."

Third World countries are building up population at a rate no imaginable economic development effort could accommodate. Pressures will become explosive, launching invasion tides of desperate people trying to throw themselves on labor markets.

They will not be armed, but will set forth in overwhelming multitudes.

Mr. Paye is a Frenchman, and he was thinking mainly of burgeoning African populations. Already, immigration from the south is the most abrasive political issue in France, strengthening the ultra-right.

The issue is sharpening in Italy, a country with no tradition of absorbing the poor from abroad.

For the United States, the push will mount primarily from Latin America.

But the stakes are global because development, environment and peace will be put at risk if the number of people and the capacity to sustain them are thrown into such imbalance.

That is why deliberate restraint of science in providing reproductive choice is beyond comprehension.

The United States is hobbling a humane approach by its obsession with abortion. In the name of "right to life," American militants are disregarding conditions of life for children around the world: nutrition, health care, education at home, famine, disease, war abroad.

During the Reagan administration, funds for United Nations population control programs were cut because they might be used for abortions.

In the last couple of years, threats from American groups have blocked distribution of a pill that prevents development of a fertilized egg.

It is RU 486, developed by a French biochemist, Etienne-Emile Baulieu, who won a 1989 Lasker Award for his discovery.

The citation said that the pill provided a "safe, effective" means for preventing pregnancy and avoiding surgical abortion. Made by the French company Roussel-Uclaf, RU 486 has been widely tested in France and other European countries.

In April, reports on 40,000 cases of use listed only two "incidents," without damaging consequences.

The U.S. anti-abortion lobby succeeded in preventing legal importation of the drug under federal law.

Worse, by threatening a general boycott of pharmaceuticals from the German company Hoechst, which controls Roussel Uclaf, the lobby persuaded Hoechst to stop production.

The order was reversed in France by the government, which had a minority share, so the pill is available there under medical supervision, but not much elsewhere.

Now, a group of San Francisco doctors has decided to test a California law that permits import of banned drugs for experimental purposes, passed with AIDS in mind.

Dr. Bernard Gore, quoted by the French newspaper Liberation, notes that some 300,000 women die yearly of botched abortions, mostly in the Third World, and that law or no law, some 300,000 women in California undergo abortions every year. He calls RU 486 "the moral property of women."

The difference between a contraceptive pill and RU 486 is that the latter can be taken after insemination. It works in the early stage of pregnancy by countering the hormone progesterone, which serves to attach the fertilized egg to the uterus.

The World Development Forum called RU 486 a "breakthrough for developing countries."

But, the Forum said, Hoechst has refused to license production in China, and the World Health Organization is ducking the issue.

A Hoechst spokesman said his company had yet to make a final decision, which would be based on medical reports, chemical trials "and other issues, such as opinions in society. We will take note of their wishes."

That is a way of saying that the threat from American militants of commercial loss on its other products has intimidated Hoechst to the point of depriving the world of an urgently needed safeguard.

The San Francisco doctors have a chance to prove the pill should be legalized in the United States, and open the possibility of worldwide distribution. They deserve support.

The New York Times.

100, 75 AND 50 YEARS AGO

1890: War 'Imminent'

LIMA — According to a telegram from La Liberdad, San Salvador, the state of siege has been proclaimed. War is imminent with Guatemala, about two thousand men being massed on the frontier.

1915: An 'Amazing' Note

LONDON — From Amsterdam comes news that Austria-Hungary has precipitated herself into the trouble, already sufficiently acute, between Germany and the United States, by a protest to the latter against the export of war material to the Allies and an amazing appeal to Washington to make representations to Great Britain against the stoppage of food supplies and raw materials to the Dual Monarchy. The Note says: "A neutral Government cannot permit free commerce in contraband if this commerce takes such a character and such proportions that the neutrality of the country is placed in peril." The Washington Government, after considering the protest of the meatpackers, who are nearly all Germans, has decided to make representations to England against the seizure of meat cargoes ostensibly consigned to neutrals but which England knows are really for Germany.

1940: Holy Land Bombed

JERUSALEM — One person was killed and several were injured when Italian airplanes raided the Haifa area today [July 15] in the first air attack on Palestine. The planes came in two waves and dropped more than fifty bombs in an attack lasting twenty minutes. The raiders were later seen hovering off the coast. Meanwhile, according to a Rome report, Germany and Italy, will launch their "knockout blow" against the British Isles within a few days. The authoritative Fascist editor, Virginio Gayda, writing in "Il Giornale d'Italia," said the "last act of war" was quickly approaching.

— From the New York edition of the New York Herald Tribune.

FROM AIR CONDITIONING

Herald Tribune
BUSINESS/FINANCE
MONDAY, JULY 16, 1990

TO AIR TRAFFIC CONTROL
In Touch with Tomorrow
TOSHIBA

WALL STREET WATCH

Some Index Funds Think Small, Others Globally

By Carole Gould
New York Times Service

NEW YORK — With all the brouhaha about index funds these days, something important is slipping by. Tracking Standard & Poor's 500-stock index is not the only way to go — or even the best. There are two other smart ways that investors can index their portfolios: They can bet on *small-company* or *international stocks*.

Although the choice of index funds specializing in these areas is rather limited — there are only a handful on the market — there are at least four new ones in the works, according to Wayne S. Huff, an associate with Charles E. Simon & Co., a Washington research firm.

Small-company stocks may be blossoming after lagging bigger ones for years.

One reason they look so good is that the S&P 500 is likely to give up its position as the best-performing index in the next five years, analysts say.

Joe Mansueto, president of Morningstar Inc., a Chicago mutual fund consulting firm, predicted that the Wilshire 4,500 or the Russell 2,000 will take the top spot.

Investors who agree can get into funds that *mimic* those indexes.

Although their performance records in the last year have been less than sterling, analysts say they are poised for a turnaround.

The plain-vanilla S&P 500 index funds already have lost much of their luster. The stocks in the S&P 500 had a spectacular run-up during the 1980s, but times have changed.

Pension money is moving into small-company stocks because they are relatively inexpensive, and the junk bond market that financed corporate buyouts — and helped send big-company stock prices heavenward — has collapsed.

Small-company stocks turned in a dazzling performance during the first half of the year.

These long-neglected cousins of the S&P 500 are coming into their own after lagging the market for seven years, market observers say, and index fund investors can tag along for the ride.

There are three small-stock index funds to watch.

Vanguard's $184 million Extended Market Portfolio, which tracks the Wilshire 4,500 index, includes more small-company stocks than the funds that track the S&P 500.

Financial stocks, mainly small- and medium-sized banks, make up 22 percent of its portfolio, versus only 9 percent for the S&P 500; 7 percent is invested in energy stocks, versus 13 percent for the S&P 500.

Unlike most Vanguard funds, this one carries a one-time, 1 percent up-front charge to defray higher transaction costs stemming from trading requirements in the over-the-counter market, said Brian S. Mattes, a spokesman.

The charge makes a dent in a small return: The fund rose 4.4 percent for the year ended June 30, compared with an 11.4 percent rise for all domestic stock funds, according to Morningstar.

Vanguard's $47 million Small Capitalization Fund tracks the Russell 2,000, which includes more small-company stocks than the Wilshire 4,500.

So the fund, with a 1 percent one-time up-front charge, is a more pure small-company play — and thus more volatile. It was up 1 percent in the year ended June 30.

The most expensive of these three funds is Colonial's Small Stock Index Fund, which tracks the smallest 20 percent of stocks listed on the New York Stock Exchange and has a 4.75 percent up-front charge. It rose just 0.3 percent in the year ended June 30.

On the international side, there are several index funds worth considering. Colonial's International Equity Index Fund, which has a hefty 4.75 percent up-front sales charge, weights its portfolio by the gross national product of each country in the Morgan Stanley Capital International EFA index.

As a result, the Japanese portion of Colonial's portfolio is lower and the European portion is higher.

The fund rose 15.8 percent for the year ended June 30, versus a 19.2 percent rise in all international stock funds.

Vanguard's International Equity Index Fund, which began investing just last month, has garnered $70 million in assets in "one of the most successful new fund launches that we've ever had," Mr. Mattes said.

It has two portfolios that investors can buy separately. Its $53 million European Portfolio tracks an index of about 600 companies in 13 countries; about two-thirds of the portfolio is invested in Britain, West Germany and France.

The Pacific Portfolio mimics an index of stocks from Japan, Australia, New Zealand, Hong Kong and Singapore.

World Bank Calls for Fight on Poverty

Reuters

WASHINGTON — As the Cold War fades and the need for vast military machines recedes, the industrial countries should redouble their efforts to fight global poverty, *the World Bank said on Sunday.*

"It is inexcusable that the amount of aid from the industrial countries is stagnating," the World Bank's president, Barber B. Conable Jr., said. "As their economies continue to prosper and the Cold War wanes, developed countries can afford more aid."

He said that if developed countries cut their military spending by a mere 10 percent they could double their aid.

Mr. Conable, speaking with reporters, introduced the bank's World Development Report, which discusses a two-pronged approach that countries should take in attacking poverty.

"Development means little if its companion is not declining poverty," Mr. Conable said.

The report said that more than one billion people — at least one-quarter of the global population — live on less than $370 a year.

It recommended that countries move to provide more jobs for their very poorest inhabitants, while generating health services and education that give them the strength and the preparation to take advantage of these opportunities.

"The first part promotes the productive use of the poor's most abundant resource: their labor," the report said.

The second, the bank explained, calls for providing the poor with improved health care, family planning, nutrition and primary education. "Improved health and education would attack both the causes and the consequences of poverty," the report said.

At the same time, it said that any aid from the outside should be targeted to countries that are committed to dealing with poverty.

Mr. Conable made clear that the future prospects of the Third World are firmly tied to economic activity in the developed countries.

The report noted that many industrial countries, including the United States, still have low savings and absorb a large share of the global capital supply, which *contributes to high interest rates.*

It estimated, however, that interest rates, adjusted for inflation, should ease to between 3 percent and 4 percent in the current decade, from 5.5 percent in the 1980s.

A 3 percent annual growth rate is projected for the industrial countries, while developing countries should reach an average of 5.1 percent growth against 4.3 percent for the decade just past.

"For the developing nations, an economic downturn in the industrial world would mean less demand for their exports, a heavier debt burden, a possible weakening of commodity prices, and probably less aid from the industrial countries," the report said.

OPEC Officials In Accord on Higher Oil Price

Compiled by Our Staff From Dispatches

ALGIERS — OPEC President Sadek Boussena of Algeria said *Sunday that a consensus had* emerged within the cartel to achieve world oil prices above the current benchmark of $18 a barrel *through tighter output controls.*

Mr. Boussena said the Organization of Petroleum Exporting Countries would set an output ceiling of 22.5 million barrels per day at its July 25 meeting in Geneva. That is above the present stated ceiling of *22.1 million barrels but below* estimated actual production of 23.2 million.

Mr. Boussena said the new ceiling calls for all cartel members to maintain their quotas except for the United Arab Emirates, which had agreed to cut its output to 1.5 million barrels per day from nearly 2 million.

"A strong consensus has *emerged that prices be above $18,"* Mr. Boussena said after talks with the Iranian oil minister, Gholamreza Aqazadeh. "At what rhythm, when and how, will be the object of discussions" in Geneva.

Mr. Boussena also met with the Kuwaiti and Indonesian oil ministers as part of preparations for the Geneva conference.

Mr. Aqazadeh said after his meeting with *Mr. Boussena that the* world oil market could sustain a $2 increase in the reference price to $20 a barrel for the next six months. Market oil prices have been as low as $14 in recent weeks.

Tehran Radio said earlier that *Mr. Aqazadeh was to have deliv*ered a letter from President Hashemi Rafsanjani to Algerian President Chadli Bendjedid stressing the need to increase the oil price.

Mr. Aqazadeh had visited the United Arab Emirates on Saturday to press Iran's call that a $2-per-barrel increase be adopted in Geneva, Tehran Radio reported.

Speaking Saturday at a news conference in Tehran after meeting with emirates officials, Mr. Aqazadeh said he would propose the $20 benchmark price in Geneva.

Actual prices have plunged well below the benchmark, mainly because of overproduction by some of *the cartel's members.*

Tehran Radio, monitored in Nicosia, quoted Mr. Aqazadeh as saying that "other OPEC members agree that the issue of a price increase to a level above its official $18 price be the main focus of the discussions."

Egypt had announced Saturday that it intended to raise its oil prices by more than $1 per barrel for the second *half of July to match a sud*den recent rebound in world prices.

Egypt, which is not an OPEC member, has kept its benchmark Suez blend unchanged at $12 a barrel since June 16, when falling world prices forced it to cut prices by $1 a barrel. Two weeks earlier it had cut prices $1.85 a barrel.

In Tehran, Mr. Aqazadeh said the four-year-old $18 benchmark should be raised because of inflation, the dollar's drop in value and growth of the world economy.

The Islamic Republic News Agency, also monitored in Nicosia, quoted Mr. Aqazadeh as saying that political differences among some OPEC members had in the *past influenced oil policy.*

But "for a long time now political issues do not figure in OPEC and on the issue of quotas there exists agreement among the members," IRNA quoted him as saying.

Separately, Ali Shams-Ardakani, a former adviser to the Iranian Oil Ministry, said that Iran, for reasons of national security, must coordinate its foreign policy with fellow OPEC members.

"Re-establishing oil prices depends on close cooperation between Iran and Iraq and their neighbors in the Persian Gulf but also with Algeria, Venezuela, Nigeria and Indonesia," he said.

(Reuters, AP, AFP)

Airport Makes Macao's Ambitions Soar

By Steve Glain
International Herald Tribune

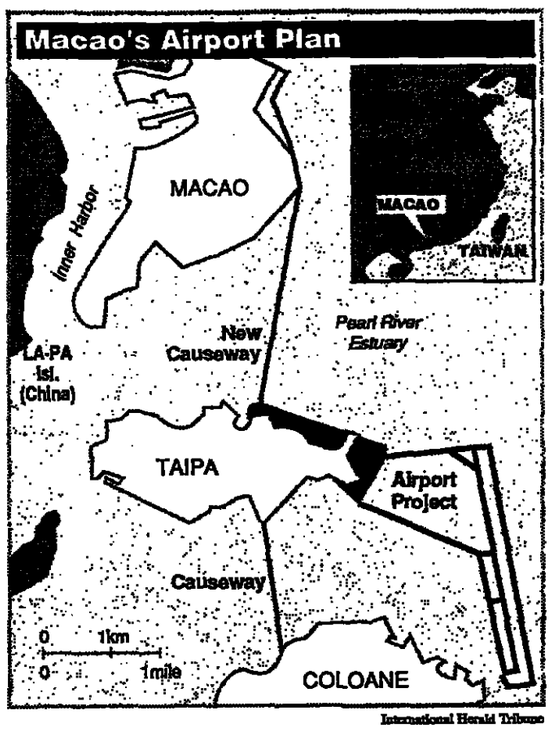
MACAO — For the second time in more than half a century, this tiny Portuguese colony on the South China coast is presenting itself as a major hub for international air travel.

In 1934, Pan American briefly used Macao's shallow harbor as a *springboard to the Orient after the* Hong Kong government denied the airline's request to use Kai Tak airport. The arrival of Pan American's amphibious "*China* Clipper" aircraft augured well for Macao's trade-led economy, which had deteriorated since the British acquired Hong Kong island from China in 1841 and exploited its superior harbor.

But the celebration was short-lived. Careful not to lose its role as the gateway for China trade, the Hong Kong government wooed Pan American away from Macao by turning Kai Tak into a free international airport. Macao's role in the history of commercial aviation was reduced to a footnote.

Until now. While Hong Kong's proposed $4.5 billion airport to replace congested Kai Tak is still in the planning stages, Macao investors and government officials are *hewing a 3.5 billion pataca* ($500 million) international airport out of the island of Taipa, one of Macao's two islets.

Macao's airport is expected to open in 1993 — four years before Hong Kong's new facility — and *could help transform the Portu*guese colony from a gambler's nook in the South China Sea to a thriving transhipment center.



International Herald Tribune

"This project will connect us with other countries, and will allow us to start new industries, new businesses," said Luis Vasconcelos, Macao's undersecretary for transportation and public works. "You'll see the kind of development here that you saw in Hong Kong in the 1960s."

The airport is being developed by Macao International Airport Co., known by its Portuguese acronym, CAM. The company consists of the Macao government, Chinese investors and Macao Tourism & Amusement Co., or STDM, the flagship firm of the entrepreneur Stanley Ho. Because Macao returns to Chinese control in 1999, mainland involvement has been the linchpin of the project.

"This project would not be possible without support from the mainland," said Mr. Vasconcelos. "They have the material, the airspace, we have nothing without their assistance."

The airport was projected to cost about $450 million when it was formally announced last year, but CAM officials said that figure could increase to about $585 million after adjustment for Macao's 10 percent average annual inflation rate. In addition, the project will include a 4 *kilometer (2.4 mile) causeway link*ing Taipa and China, estimated at $45 million, and a $70 million container port and oil storage depot. Adjusted for inflation, the entire infrastructure project is estimated to cost about $735 million.

Although CAM's *shareholders* are funding most of the project through cash, they may tap the international capital market to finance cost overruns owing to inflation, according to CAM's chairman, Dr. Carlos Santos Ferreira.

The group has appointed Banco Nacional Ultramarino SA, Bank of China, China Development Finance Co. and Samuel Montagu & Co. as its financial advisers. CAM also expects to raise funds from commercial real estate development around the airport site.

The consortium has encountered

See AIRPORT, Page 9

French Seek Investment By Japanese

Reuters

TOKYO — France's prime minister, Michel Rocard, will try to attract more Japanese investment to his country when he visits Japan *next week, a French official said on* Sunday.

"His message will be that they are welcome to invest in France. It has become more open in the last two years," said Bernard Yvetot, commercial counselor at the French embassy. Mr. Rocard's visit begins on Thursday.

As of January, France was ranked second in the European Community for attracting Japanese investors, with 95 projects against 132 in Britain.

Total Japanese investment in the Community is 10 times higher than EC investment in Japan. The investment imbalance with France last year was 40 *to one, French* Embassy figures show.

The thorniest bilateral issue will be the terms on which Japanese cars will enter the single EC market after 1992.

France, which currently limits Japanese cars to about 3 percent of its market, wants a transition of up to 10 years before full liberalization to help its auto industry, which employs 10 percent of its industrial work force.

Japan wants liberalization as soon as possible and insists that car plants in the EC owned by Japanese firms not be included in any monitoring system. None of the plants are in France.

A Japanese Foreign Ministry official said closer political links between the EC and Japan also will be discussed.

EC Will Press Nonfarm Issues in Trade Talks

Reuters

BRUSSELS — The European Community plans this week to shift the spotlight from its agricultural *subsidies and express alarm about* slow progress in other areas of the Uruguay Round of world trade talks.

The 12 EC foreign ministers will be preparing for a meeting at the end of the month seen as crucial to *the outcome of the Uruguay Round,* which will help set world trading patterns into the next century.

The discussions on Tuesday, the second day of the ministers' *monthly meeting in Brussels,* will seek to maintain political momentum from a compromise formula at the Houston summit meeting of seven industrial democracies.

The Group of Seven summit leaders pledged to slash the billions of dollars they spend each year sheltering their farmers from foreign competition and subsidizing farm-goods exports. But they left many details for their negotiators to hammer out later this month.

The EC, under fire for its cash support of agriculture, is anxious to show a lead in the other 14 areas of the Uruguay Round.

Those include trade in services, textiles, lowering tariff and nontariff barriers and strengthening the world trade body, the General Agreement on Tariffs and Trade.

On Monday, the ministers will receive an application from Malta to join the Community, swelling a queue of would-be members that already includes Turkey, Austria and Cyprus.

Malta's request will be seen by the Community as further evidence that its new-found political and economic dynamism is a magnet for the rest of Europe.

CURRENCY RATES

Cross Rates

July 13

	$	£	D.M.	F.F.	Lira	D.Fl	B.F.	S.F.	Yen	C$	Peseta
Amsterdam	1.851	3.3325	1.1273	0.3359	0.134 °	—	5.674 °	1.2230	1.2566 °	1.443	1.84 °
Brussels	33.975	61.22	20.696	6.164	2.4128 °	18.371	—	24.265	0.9295	26.29	0.2361 °
Frankfurt	1.6428	2.972	—	0.2979	0.1196 °	0.8877	4.855 °	1.1795	1.114 °	1.422	1.632 °
London (a)	1.8045	—	2.9703	0.9463	2.071.50	3.3465	61.35	2.3255	264.00	2.598	167.91
Madrid	160.572	182.155	61.38	18.258	7.338 °	54.263	2.9767	72.227	68.39 °	82.65	—
Milan	1.284.95	2277.30	752.43	238.15	—	660.78	35.557	863.53	8.161	1,048.90	71.051
New York (b)	—	1.8002 a	1.6577	5.3415	1,208.00	1.8045	34.488	1.4033	148.175	1.1579	108.30
Paris	5.531	9.977	3.3028	—	263.82 °	2.9774	5.163	3.9561	3.24 °	4.714	5.0725 °
Tokyo	167.55	302.30	99.80	30.31	8.122	70.85	4.2231	126.20	—	137.84	1.4483
Toronto	1.2159	2.1933	0.7246	0.2201	0.059 °	0.6222	3.436 °	0.8367	0.2815 °	—	1.147 °
Zurich	1.3947	2.5164	0.8485	0.2527	0.1139 °	0.7268	4.1252 °	—	0.8468 °	1.2853	1.3821 °
† ECU	1.2576	0.6959	2.3687	6.9649	1,515.27	2.3388	42.6833	1.7349	185.743	1.4555	136.788
† SDR	1.3417	0.7437	2.2785	N.Q.	1,450.62	1.4932	45.5497	1.5744	159.888	1.5483	13570

Closings in London and Zurich fixings in other centers; New York closing rates, Toronto rates of 3 p.m.
a: To buy one pound; b: To buy one dollar; °: Units of 100; N.Q.: not quoted; N.A.: not available.

Other Dollar Values

Currency	Per $	Currency	Per $	Currency	Per $	Currency	Per $
Argen. austral	5275.1	Greek drac.	160.70	Mex. peso	2856.00	S. Afr. rand	2.631
Austral. $	1.2674	Hong Kong $	7.7717	N. Zealand $	1.6909	Soviet ruble*	0.5867
Austr. schill.	11.57	Indian rupee	17.482	Norw. krone	6.316	Swed. krona	5.765
Brazil cruz.	64.40	Indo. rupiah	1848.82	Phil. peso	22.19	Taiwan $	26.73
Chinese yuan*	4.72	Irish £	0.6141	Port. escudo	144.30	Thai baht	25.76
Danish krone	6.2595	Israeli shek.	2.01	Saudi rival	3.7497	Turkish lira	2680.00
Egypt. pound	2.7134	Kuwaiti dinar	0.29	Sing. $	1.8165	UAE dirham	3.6727
Fin. markka	3.843	Malay. ring.	2.7038	S. Kor. won	715.80	Venez. bolív.	49.90

*New York rates unless marked * (local rate.)*

Forward Rates

Currency	30-day	60-day	90-day	Currency	30-day	60-day	90-day
Pound Sterling	1.7974	1.7875	1.7780	Canadian dollar	1.1615	1.1667	1.1713
Japanese yen	147.55	147.46	147.42	Swiss franc	1.3931	1.3924	1.3915
Deutsche mark	1.6335	1.6305	1.6333				

Sources: Iadesuez Bank (Brussels); Banca Commerciale Italiana (Milan); Banque Nationale de Paris (Paris); Bank of Tokyo (Tokyo); Royal Bank of Canada (Toronto); IMF (SDR); Gosbank (ruble). Other data from Reuters and AP.

Last Week's Markets

All figures are as of close of trading Friday

Stock Indexes

United States	July 13	July 6	Chge
DJ Indus.	2,980.20	2,904.95	+2.60 %
DJ Util.	206.17	206.11	+0.03 %
DJ Trans.	1,187.59	1,140.69	+4.11 %
S & P 100	348.89	339.63	+2.73 %
S & P 500	367.31	358.42	+2.48 %
S & P Ind.	425.38	422.32	+0.10 %
NYSE Cp	209.33	195.78	+2.32 %
Britain			
FTSE 100	2,362.20	2,340.00	+1.00 %
FT 30	1,880.10	1,865.00	+0.81 %
Japan			
Nikkei 225	32,444	32,445	+0.61 %
West Germany			
DAX	1,930.97	1,932.80	—0.09 %
Hong Kong			
Hang Seng	3,507.16	3,357.61	+4.45 %
World			
MSCIP	530.30	523.30	+1.34 %

World index From Morgan Stanley Capital Int'l.

Money Rates

United States	July 13	July 6
Discount rate	7.00	7.00
Federal funds rate	8	8 5/16
Prime rate	10.00	10.00
Japan		
Discount	5¼	5¼
Call money	7 11/32	7 9/32
3-month interbank	7½	7 7/16
West Germany		
Lombard	8.00	8.00
Call money	8.20	8.05
3-month interbank	8.30	8.15
Britain		
Bank base rate	15.00	15.00
Call money	14 15/16	14¾
3-month interbank	14 31/32	15.00
Gold	July 13	July 6	Chge
London p.m. fix.$	363.60	361.15	+0.68 %

Shearson: Will Amex's Costly Albatross Fly or Be Cut Loose?

By Kurt Eichenwald
New York Times Service

NEW YORK — *It was a run-of-the-mill* tombstone advertisement touting the underwriting by Shearson Lehman Hutton Inc. of a retail *mutual fund.*

But the ad, which appeared in recent weeks, contained one change that spoke volumes about how the firm has been transformed in the past five months: Lehman Brothers was listed in the tombstone and the names Shearson and Hutton were missing.

That omission has proven disconcerting to some of Shearson's brokers.

"It's a retail fund, and you can't find the name Shearson anywhere," said one. "It's a little hard to build pride when you can't see yourself playing a role."

Moreover, many at Shearson fear that the splintering of the firm's name — reflecting a reorganization into separate investment banking and retail divisions — is the first step in the sale of some or all of its parts, a possibility that the firm strongly denies.

Yet despite such jitters and morale problems, analysts are giving generally high marks to the nonstop changes — particularly the creation of the separate divisions — that have been shaking Shearson since February.

That is when Shearson's unhappy parent, American Express Co., moved in to take full control of the troubled firm, replacing its long-time chairman and chief executive, Peter A. Cohen, with one of its own senior executives, Howard L. Clark Jr.

If business in the depressed securities industry picks up, the streamlined and burnished Shearson and Lehman divisions will be quick to take advantage.

A lot is on the line, not just for Shearson, the second-largest U.S. securities firm, but also for American Express and its chairman, James D. Robinson III.

Shearson has been an albatross around American Express's neck for some time.

But last year — weighed down by the collapse of the junk bond market, problems related to the 1988 *acquisition of E.F. Hutton &* Co. and a humiliating failure to win a role in the lucrative buyout of RJR Nabisco Inc. — Shearson became too heavy a burden to ignore.

Mr. Robinson's decision to increase the parent's stake in Shearson from roughly 60 percent to full ownership raised his own stake in the outcome as well. Now, more than ever, Shearson's fate could determine the course of his career.

So far, he appears to have made the right decision.

Shearson's new chairman, Mr. Clark, "really seems to be getting a grip around there," said Lawrence W. Eckenfelder, a securities industry analyst with Prudential-Bache Securities Inc.

Mr. Clark has made all the usual cost-cutting moves, announcing the layoffs of 2,000 people, the closing and consolidation of 67 branch offices and the decision to quit some *business lines.*

But he also has taken scissors to the firm's basic structure, creating a Lehman Brothers division for institutional investing and capital markets and a Shearson Lehman Brothers division for retail and asset *management.*

The rejiggering, he says, plays to the firm's traditional strengths: The venerable Lehman name in investment banking and the successful Shearson name in retailing.

But it also allows Shearson to hedge its bets, industry experts say, by giving Mr. Clark and Mr. Robinson some much-needed maneuvering room.

If business in the depressed securities industry picks up, the experts say, the streamlined and burnished Shearson and Lehman divisions will be quick to take advantage.

If conditions turn even more sour, a sale of the firm by division *will be that much easier.*

A sale is possible, according to analysts, despite constant denials from Mr. Clark: "It is not even being contemplated," he said in a recent interview.

For now, at least, American Express has never been more involved. It has pumped $750 million into Shearson and is buying back all the outstanding public shares.

Mr. Robinson has increased his direct involvement in Shearson's affairs, although he insists that Mr. Clark is firmly in charge.

"I have spent more than 50 percent of my time with Shearson in recent months," Mr. Robinson said. "The final closing step will be the merger."

The merger is expected to be approved by Shearson stockholders at the firm's annual meeting on Aug. 9.

After a stormy decade, problems at Shearson came to a head late last year with a capital crunch and a possible downgrading of the firm's debt.

Once Mr. Clark took over in February, changes came in a hurry. Within weeks, he announced plans

See SHEARSON, Page 9

Herald Tribune
INTERNATIONAL
Published With The New York Times and The Washington Post
日本印刷実施
Now Printed in Tokyo For Same-Day Delivery to Most Homes & Offices in Japan
To subscribe call our Tokyo office
(03) 201 0205
Or write: TJM, 2F. Mainichi Newspaper, 1-1-1 Hitotsubashi, Chiyoda-ku, Tokyo 100
Or Telex: 33673. Or Fax: (03) 214 4045.

INTERNATIONAL BusinessWeek
This week's topics:
O Britain's Rising Tide Of Bankruptcies
O ABB: Multinational For The 1990s
O The Squeeze On Stock Analysts
O Butting Heads At The Houston Summit
O Galeries Lafayette Bets On Fifth Ave.
Now available at your newsstand!
BusinessWeek International
14, av. d'Ouchy, CH-1006 Lausanne, Tel. 41-21-617 4411
For subscriptions, call toll-free:
France 19-0590-8514 and UK 0800/289137.

ÉLYSÉES MONÉTAIRE
SICAV
Luxembourg, 11, rue Aldringen
R.C. Luxembourg B 25791

Avis de convocation

Messieurs les actionnaires sont convoqués par le présent avis à l'Assemblée Générale Extraordinaire de notre société qui aura lieu le 3 août 1990 à 10.00 heures au siège social avec l'ordre du jour suivant:

Ordre du jour

1. Décision de modifier les restrictions de la Société afin de les adapter aux *exigences légales en vue de l'enregistrement de la Société en tant* qu'Organisme de Placement Collectif en Valeurs Mobilières (OPCVM) conformément à la loi du 30 mars 1988.
2. Décision de modifier et/ou renuméroter tous les articles des présents statuts en vue de refléter lesdites modifications, notamment dans la mesure où elles se rapportent à l'objet social pour l'investissement en valeurs mobilières négociables, en conformité avec la loi du 30 mars 1988, à une durée illimitée, à la définition des investissements permis et aux restrictions d'investissement et pour conformer ceux-ci aux changements nécessaires et utiles à la suite de la loi luxembourgeoise du 30 mars 1988 sur les organismes de placement collectif.

Les actionnaires sont avisés qu'un quorum de 50% au moins des actions en circulation est requis pour les points à l'ordre du jour et que les décisions seront prises à la majorité des deux tiers des actions présentes ou représentées, sans restriction de vote.

Les actionnaires de la SICAV peuvent obtenir le texte du projet des statuts au siège social de la SICAV sur simple demande et sans frais.

Les détenteurs d'actions au porteur sont obligés de déposer leurs titres cinq jours francs avant l'Assemblée auprès de la Kredietbank S.A. Luxembourgeoise, 43, boulevard Royal, Luxembourg.

Le Conseil d'Administration

WEEKLY INTERNATIONAL BOND PRICES

Provided by Credit Suisse First Boston Securities, London, Tel: 01 323 11 30. Prices may vary according to market conditions and other factors. July 13

Australian Dollars

Issuer	Con	Mat	Price	Yld	Spd Trsy
ABN Austrel	14½	94	112½	10.51	
AIDC	12¾	91	97¼	16.46	
AIDC	14	92	98	15.18	
AIDC	12¼	90	96½	36.76	
Amro Bank	13¾	90	96¾	25.33	
Anz Bk Gp	16½	92	100	16.21	
Anz Bk Gp	n.a.	91	84½	25.36	
Anz Bk Gp X/w	13	92	93½	16.95	
Austri Control	12¼	93	94	14.96	
Austri Control	13¾	94	98	14.28	
Austri Volksbk	13¾	90	96¼	28.29	
Austria	14½	92	100½	13.97	
BMW Fin	14½	92	100½	14.04	
BNP	14	92	97½	16.49	
BNP	14	91	96¼	16.17	
BNP	12½	93	93⅝	15.13	
BNP (Aust)	14	90	97	27.38	
BP Capital	14½	92	98¼	14.87	
BP Capital	12¾	92	96¼	14.96	
BP Capital 'A'	13¾	92	99	14.35	
Barclays	12¾	90	96¼	35.13	
Bayernhyp Fin	13¾	90	96⅞	21.63	
Berliner Bk	14	90	97½	24.72	
Bq Genl Lux	13⅞	90	95⅞	27.95	
CBA	12¾	93	94¼	14.97	
CBA	15¼	94	101½	14.62	
CBA	14	92	98¼	14.42	
CBA	14	95	97¾	14.60	
CBA	13¾	99	97¼	14.28	
CCF Aust	14	90	97½	25.55	
CIBC Austri	14¾	90	97½	19.27	
Chrysler	13¾	92	93	17.88	
Colgate-Palm	14¼	91	97½	16.61	
Commerzbank	12½	90	95½	45.67	
Commerzbank	12¾	90	95½	41.61	
Council Europe	14	92	97¾	14.48	
Council Europe	13	93	97	14.36	
Cr Lyonnais	13	91	97¾	16.49	
Cr Lyonnais	14	91	97¼	16.85	
Cr Lyonnais	13¾	90	97	25.73	
Cr Suisse	14½	92	97	15.77	
Creditanst	12¾	90	96¼	25.10	
DFC Finance	13	90	35	n.a.	
DG Bank	12¾	90	96¼	32.00	
DG Bank	13¾	90	97	31.95	
Daimler-Benz	14¼	95	100	14.25	
Denmark	14	90	98¼	16.77	
Denmark	12¼	93	93¾	15.04	
Denmark	14¼	92	97½	15.93	
Deut Bk	13¾	93	[illegible]	14.88	
Deut Bk	12¾	95	93	14.88	
Deut Bk	12¾	90	96	25.98	
Deut Bk	13¾	90	97¼	32.75	
Deut Bk Aust	14½	95	100⅝	14.19	
Deut Bk Fin	14½	92	98	15.76	
Deut Bk Fin	15	94	101½	14.37	
Dresdner	12¾	90	96½	37.64	
Dsl Bank	13¾	90	97	27.57	
East Kodak	n.a.	92	71¾	20.06	
Eurofima	12½	93	95½	14.47	
Eurofima	13½	94	96¾	14.67	
Eurofima	13	95	96½	14.03	
Exportfin	12¾	95	92½	14.60	
FBDB	19	90	108¼	15.21	
Ford Cred Aus	14	92	98¼	15.15	
Ford Cred Aus	13	93	96½	14.59	
Ford Cred Aus	13½	93	96¼	14.92	
Ford Cred Aus	15¼	94	101¼	15.10	
Ford Cred Aus	12¾	90	96¼	44.19	
Ford Motor Cr	13¾	92	98½	18.37	
Ford Motor Cr	13¾	91	98	16.43	
Ford Motor Cr	15¼	94	100	15.23	
Genfinance	12¾	90	96¼	38.04	
Girozentr Wien	12¾	92	97	14.71	
GMAC	14¼	92	98¼	16.04	
GMAC Aust	12¾	91	97	15.67	
GMAC Aust	13¾	92	97¼	14.92	
GMAC Aust	13¾	92	98	14.98	
GMAC Aust	16	92	101½	15.06	
GMAC Aust	15⅞	93	100⅜	15.01	
GMAC Aust	16	92	101⅜	14.75	
Heinz	12¾	91	97½	15.45	
IBM	15¼	93	100⅜	14.97	
IBM Aus Cred	12¾	92	96¼	14.96	
IBM Aus Cred	13	93	96¼	15.29	
IBM Aus Cred	16	92	101½	14.87	
IBM Aus Cred	14¼	93	99¼	14.44	
IBM Aust	13⅞	91	98⅝	14.46	
IBM Aust	13½	92	98	14.80	
IBM Aust	15	92	102½	14.54	
IBM Aust	15¾	95	106⅞	14.54	
ICI	15½	92	101	14.77	
ICI	13	90	96½	37.45	
Indust Kred Bk	12¾	90	97¼	40.51	
Kredietbank	14¼	91	97¼	14.65	
Mcdonalds	14¾	91	98½	16.45	
Mcdonalds Con	15	95	99¾	15.13	
Midland Aust	12¾	90	97	69.34	
Montreal Tstco	14½	90	97¼	19.53	
NSW Treasury	14¼	92	100	14.83	
Natl Austrl Bk	14¼	94	100	14.44	
OLB	13⅝	91	97½	16.44	
Pepsico	13	90	96½	28.84	
SEC Victoria	12¾	95	96½	15.11	
SEK	13¼	91	98	14.74	
SEK	12¾	93	94½	14.70	
SEK	12¾	92	94½	14.69	
SEK	12¾	92	98½	17.76	
Skandi Enskild	13¾	93	97	15.01	
Soc Gen	13	92	95¼	14.61	
Soc Gen	12½	93	96¼	15.51	
St Bk Nsw	12¾	93	98½	14.28	
St Bk Nsw	14¼	92	99	14.37	
St Bk Nsw	14¾	93	101	14.82	
St Bk Sth Aust	15¼	94	101	15.04	
Sth Aust Govt	n.a.	94	52	14.34	
Sweden	15	94	101½	14.34	
Sweden	12¾	94	97½	14.36	
Tor-Dom Aust	16¼	92	102¼	15.73	
Toyota Credit	13	91	96¼	14.76	
UBS Fin	14	91	97¼	14.25	
Volkswagen	15	94	102¼	14.12	
Westd Ldbk	12¾	90	96¼	40.44	
Westlb Fin	13¾	90	96¼	28.92	
World Bk	13¾	92	97½	14.91	
World Bk	14¼	94	98¾	14.91	
World Bk	13¾	94	95	14.34	
World Bk Jul	12¾	93	95½	14.75	
World Bk Mar	12¾	93	95½	14.83	

Canadian Dollars

Issuer	Con	Mat	Price	Yld	Spd Trsy
AIDC	10	91	97¾	13.73	+85
AIDC	10¼	93	92¼	13.22	+124
AKZO	9¾	90	99¾	13.03	+75
AKZO	11	91	96¾	13.65	+137
Abbey Natl	10¾	94	91¾	12.95	+120
Abbey Natl	10¾	93	93½	13.45	+145
Alberta Prov	10¾	94	95	12.38	+62
Amer Genl	10	91	96½	13.53	+125

ECU Straights

Pound Sterling

Yen Straights

The Global Newspaper.

MUTUAL FUNDS

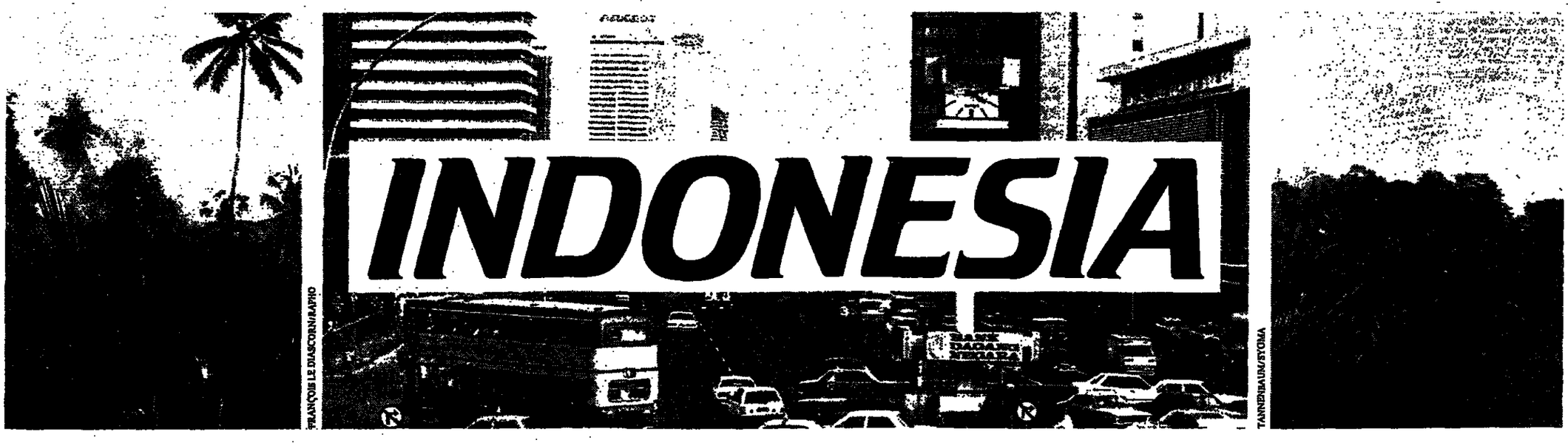
Figures as of close of trading Friday, July 13.

NEW YORK (AP)— The following quotations, supplied by the National Association of Securities Dealers, Inc., are the prices at which these securities could have been sold (Net Asset Value) or bought (value plus sales charge) Friday.

	Bid	Ask
AAL Mutual:		
CaGr p	11.85	12.44
Inco p	9.52	10.00
MuBd p	9.92	10.41
AARP Invst:		
CaGr	30.32	NL
GinlM	15.03	NL
GthInc	25.41	NL
HQ Bd	14.86	NL
TxFBd	16.59	NL
TxFSh	15.18	NL
ABT Funds:		
Emrg p	9.93	10.43
Gthln p	9.83	10.32
Secln p	9.78	10.27
Utilln p	12.42	13.04
AHA Bal	10.91	NL
AdsnCa p	18.81	19.39
ADTEK	9.93	9.93
AFA NAv	12.37	12.99
AFA Tele	17.78	18.67
AIM Funds:		
Chart p	7.38	7.70
Const p	9.71	10.28
CvYld p	11.31	11.87
HiYld p	unavail	
LimM p	9.79	9.96
Sumit	8.63	
Weing p	13.90	14.71
A M A Family:		
ClaGt p	9.15	NL
GlbGt p	23.69	NL
Glbln p	19.59	NL
GIST p	9.88	NL
USGv p	8.47	NL
AMEV Funds:		
AstAl p	12.13	12.78
Capitl p	16.62	17.45
CoAp p	18.21	19.07
Fiduc p	27.74	29.05
Grwth p	22.77	23.91
HiYld p	7.14	7.48
TF MN	9.67	10.13
TF Nat	9.89	10.36
US Gvt	9.57	10.02
AcornF	45.00	45.00
Afuture	10.57	NL
Advance America:		
EqInc	10.51	11.03
TF In p	9.76	10.25
US Gv p	9.19	9.65
Advest Advant:		
Govt p	8.35	8.35
Gwth p	14.48	14.48
HY Bd p	7.87	7.87
Inco p	10.57	10.57
Spcl p	13.38	13.38
AlgrSCp t	17.43	17.43
AlgerG t	16.19	16.19
Alliance Cap:		
Allan p	6.37	6.74
Balan p	11.66	12.34
Canad p	6.75	7.14
Conv p	9.12	9.65
Count p	17.63	18.66
Govt p	8.14	8.61
Grinc p	2.76	2.92
HiYld p	3.33	3.54
Intl p	18.70	19.79
ICalT p	12.27	12.85
InsMu p	9.46	9.91
Monin p	unavail	
Morta p	unavail	
MuCA p	9.69	10.15
MuNY p	8.98	9.40
NtlMu p	9.61	10.06
Quasr p	21.40	22.65
ST Mla p	9.90	10.21
ST Mlb t	9.89	9.89
Survy p	11.35	12.01
Tech p	25.14	26.60
AlpnCA	9.90	10.29
Altura Funds:		
Grwth	12.98	NL
Inco t	9.99	NL
Amer AAdvant:		
Balan	10.74	NL
Equity	11.33	NL
Fixin	9.77	NL
Amer Capital:		
Cmstk	16.37	17.89
CpBd p	6.43	6.75
Entrp p	12.27	13.02
EqInc p	4.51	4.79
Exch	88.16	
FdMg p	12.63	13.26
FdAm p	11.48	12.18
GvSc p	9.97	10.47
Harbr p	14.18	15.05
HiYld p	6.19	6.50
MunB p	18.83	19.77
Pace p	13.09	13.89
TEHY p	10.78	11.32
TxE I p	10.84	11.38
Ventr p	17.49	18.56
AExpEV	12.55	12.81
American Funds:		
A Bal p	11.19	11.87
Amcp p	12.03	12.76
AMutl p	20.21	21.44
Bond p	12.99	13.64
CapIB p	25.38	26.93
CapW p	14.15	14.86
Eupac p	32.51	34.49
FdInv p	17.34	18.40
Govt p	13.14	14.05
Gwth p	21.73	23.06
HI Tr p	13.14	13.80
Inco p	12.31	13.06
IntBd p	13.47	14.14
ICA p	15.91	16.88

NL— No initial sales load. †—Previous day's quote. r—Redemption charge may apply. x— Ex dividend.

ADVERTISING SECTION



Private Sector to Play Leading Role in Growth

Flights to the Indonesian capital city of Djakarta tend to resemble mini-conventions of fund managers, traders and bankers these days. Not long ago they barely noticed opportunities in Indonesia, but now the country is attracting active interest from the international investment community.

Although it is the fifth most populous country in the world and the largest country in Southeast Asia, Indonesia never attracted the kind of attention its size would seem to warrant. This was in part a result of deliberate government policy. The post-1965 government was keen to avoid some of the excitements of the period of President Sukarno's rule, when Indonesia was the leading figure in the Non-Aligned Movement.

On the economic front, Indonesia was cushioned by substantial reserves of oil, which, in the heady days of the late 1970s and early 1980s, gave the economy an annual growth rate of 7.5 percent without much help from the non-oil sectors.

Export growth should exceed 25% this year

"In the oil hike days we got hooked on it and forgot other things," says Hidjat Tjandradjaja, a director of Bank Internasional Indonesia. "It hid many inefficiencies in the economy. Only after the collapse of oil prices were the inefficiencies made transparent. It was a blessing."

The consequences of the oil price crash, however, did not look like a blessing at the time. The problems were compounded by the start of a global recession and a major currency realignment, which weakened the dollar and added around $1.5 billion to Indonesia's annual debt service obligations, causing them to rise by 30 percent.

In a recent speech, Radius Prawiro, coordinating minister for Economy, Finance and Development Supervision, agreed with Mr. Hidjat's view that these events were a blessing in disguise. "They forced us to reevaluate our position in the world economy," he said, "to redefine our economic priorities and to implement sweeping reforms to make our economy more competitive, more attractive and more capable of addressing the problems of a high-cost economy."

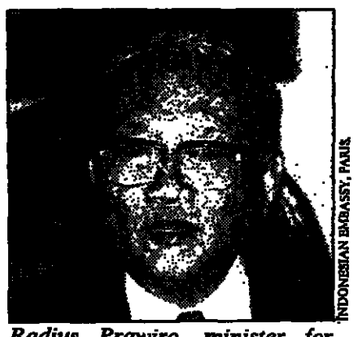
Mr. Radius described the process as "painful." In the mid-1980s, economic growth slumped, inflation soared and living standards dropped. The government was determined, however, to free itself from continued dependence on oil and to create a more broadly based and less state-oriented economy. The route chosen for economic reform was deregulation.

According to Mr. Radius, this meant that "bureaucrats had to learn to avoid excessive intervention and instead facilitate the proper functioning of market activity." The government had to change its long-established practices and "permit more decisions to be made by the market while requiring fewer decisions to be made by government bureaucracies."

The process started in 1983 with reforms in the financial sector. The Indonesian style is to move with caution and, even where radical reform is contemplated, to take everything in stages. For that reason, the process of deregulation, which is still under way, forms part of a long-term strategy that has some of the government's younger technocrats yearning for faster progress. Deregulation is being accomplished with the backing of a broad political consensus, however, which allows for the successful implementation of reforms.

According to a report on the economic reforms issued by the World Bank in May: "Indonesia is entering the 1990s following a period of sustained, successful adjustment to severe external shocks. It enters a new decade with an economy that has reduced macroeconomic imbalances and lowered distortions in the incentive system."

Jusuf Arbianto Tjondrolukito, managing director of Bank Danamon, says, "There's been a drastic change in government style; they give us more responsibility and freedom." All the economic indicators are pointing in the right direction. Indonesia's GDP is expected to grow this year by almost 7 percent in real terms, following GDP growth of 6.2 percent in the previous year, the best for the economy since 1984.


INDONESIAN EMBASSY, PARIS

Radius Prawiro, minister for Economy, Finance and Development Coordination.

The rate of export growth should exceed 25 percent this year, following another good year in 1989, when exports rose by 22 percent. More importantly, the oil sector has ceased to account for a massive 80 percent of Indonesia's foreign earnings; now it represents only some 40 percent. The manufacturing sector has filled the gap with new export-oriented industries.

Against this background of rapid economic growth, Indonesia has managed to keep inflation relatively well in check. This year it is expected to rise by 7.5 percent, compared with just over 6 percent last year. The government would prefer the rate of increase to be lower, but this level is considered acceptable.

"Everybody seems to be very optimistic about the economy, at least for the next two to three years," says Samadikun Hardjodarsono, president/director of the Bank Dagang Negara, who also thinks that Indonesia's economic strength will be boosted by its political stability in an uneasy region.

The government is firmly committed to a policy of promoting national development but recognizes that these goals can only be achieved in partnership with the private sector.

Mr. Radius said that 55 percent of Indonesia's capital development in the next year will come from the private sector, that the government aimed to raise over $80 billion from this quarter in the next five years and that it hoped foreign investors would contribute 25 percent of the total.

Investments from the private sector at home and abroad are a two-way street, however, and the government will have to deregulate more sectors and allow the market to function unhindered to attract this investment.

In the stock market, new freedoms have allowed the Djakarta exchange to become the fastest-growing in the world. The once-moribund banking sector has soared back to life since the state lifted controls, resulting in a far better deal for customers. Foreign investment is now pouring into the country at an unprecedented level.

Yet Indonesia remains a relatively poor country, with an annual per capita GNP of less than $500. The potential for growth is tremendous. It has natural resources and agricultural potential that is still far from fully exploited. It has a labor force of 76 million — larger than the combined work forces of Thailand, South Korea, Malaysia, the Philippines and Taiwan. The rates of pay in Indonesia are also lower than in all these countries.

No one in Indonesia pretends that the last few years of economic progress have definitively laid the foundations for prosperity, but even critics of the government concede that things are heading in the right direction.

The local people on the Indonesian island of Sumatra call him 'the man of the forest'.

And when you come face to face, without any bars between you, the name seems eerily accurate.

Fortunately, orang-utans are actually more tolerant than most humans. Playful, charming and gentle in spite of their considerable strength.

However, Sumatra is only one of the 13,667 islands of the Indonesian archipelago. Each one with a fascination and character of its own.

On nearby Java, you can experience all the noise, colour and frenzied activity that makes Jakarta one of the world's most fascinating, yet undiscovered cities.

You can become entranced by Borobudur, an enormous stone temple that has, until recently, laid buried for 1,000 years.

Or simply relax and enjoy the tranquil beauty of Bali, the island that one world leader was moved to describe as "The Morning of the World."

For more information about our flights, please phone Garuda Indonesia, or see your local travel agent.

Garuda Indonesia
Proud to welcome you aboard.

A Member of the Garuda Indonesia Group

Banking Sector Now More Competitive

Indonesia's banking sector was the first to feel the extensive changes that have since swept through other sectors of the country's economy. The once sleepy world of banking is now awash with competition.

The reform process started in 1983 when banks were given freedom to fix interest rates. Before that time the only significant liberalization in the banking sector had been the 1966 presidential decree that removed foreign exchange controls.

It was widely recognized within government circles, however, that economic progress could only be stimulated by subjecting the banking sector to far more strenuous competition pressures. Thus, in October 1988 a series of banking reforms and measures to increase competition in related areas were initiated.

In 1989, foreign banks raised assets to $2.26 billion

Foreign companies, which had previously been kept on a tight rein, were allowed to form joint ventures with domestic banks and to take up to an 85 percent share of the equity. They were also allowed to open branches outside Djakarta.

Within a year, the government received over 300 applications to open new banks. Over 30 new full banking licenses have been issued; half of these new banks have already opened, along with more than 100 new branches of existing banks. Almost 200 community credit banks have been given permission to start trading, although they have proved somewhat slower in getting off the ground. Foreign banks are lining up to form joint ventures in Indonesia, and eight such projects are already in business.

The six state-owned banks, however, still retain a dominant position in the banking sector, especially in corporate finance. Yet their dominance is declining; the private sector has managed to secure some 50 percent of the market and by restricting joint ventures with foreign companies to private banks, the government is deliberately encouraging their growth.

Samadikun Hardjodarsono, the president/director of the state-owned Bank Dagang Negara, cheerfully accepts the new challenges. He says it is forcing the banking sector to be more cost-conscious, more efficient, more vigorous in eliminating bad portfolios and more innovative. Mr. Samadikun is also frank in assessing the problems generated by the long history of minimal competition and market dominance. "If we look back," he says, "we see that the state banks have been the ones to absorb the big risks and sustain the economic development of Indonesia. So at this point in time, a lot of traditions and habits acquired by these banks linger." He adds: "Now we have to compete but there is inertia."

One of Bank Dagang Negara's most aggressive competitors is the Bank Danamon. Jusuf Arbianto Tjondrolukito, Bank Danamon's managing director, is not worried by competitive pressures. He says: "We think this country is big enough to absorb the new banks. We feel competition is tight, but look around and you will see that everybody is growing at rapid speed."

Hidajat Tjandradjaja, a director at the Bank Internasional Indonesia, another aggressive and fast-expanding bank, feels that competitive pressure has yet to start hurting his bank, but expects that it may do so within the next six months. He favors a continued liberal policy of expanding the banking sector. "Overall, even if there is excessive competition, the positive still outweighs the negative," he says.

The penetration of banking services in Indonesia remains at a low level, with plenty of scope for growth. A market report undertaken by Survey Research Indonesia (SRI) last year shows that only one person in five in the Djakarta area has any kind of bank account. The figure rises to 45 percent among the mid-level income group with average household expenditure of RP300,000 (US$160) or more per month.

Even in the highest category of household expenditure, however, only 86 percent of heads of household have bank accounts. Djakarta has by far the most extensive network of banks in the country, and the SRI survey is therefore only looking at the very top of the market. Outside Djakarta, banking penetration is far lower. In a companion study, SRI found that only 12 percent of heads of households with a monthly expenditure exceeding RP500,000 held credit cards.

Mr. Jusuf says that Bank Danamon is "trying to promote bank mindedness" from the base up. The bank has launched special savings schemes for schoolchildren and is sending mobile banks to areas where there are no permanent bank branches.

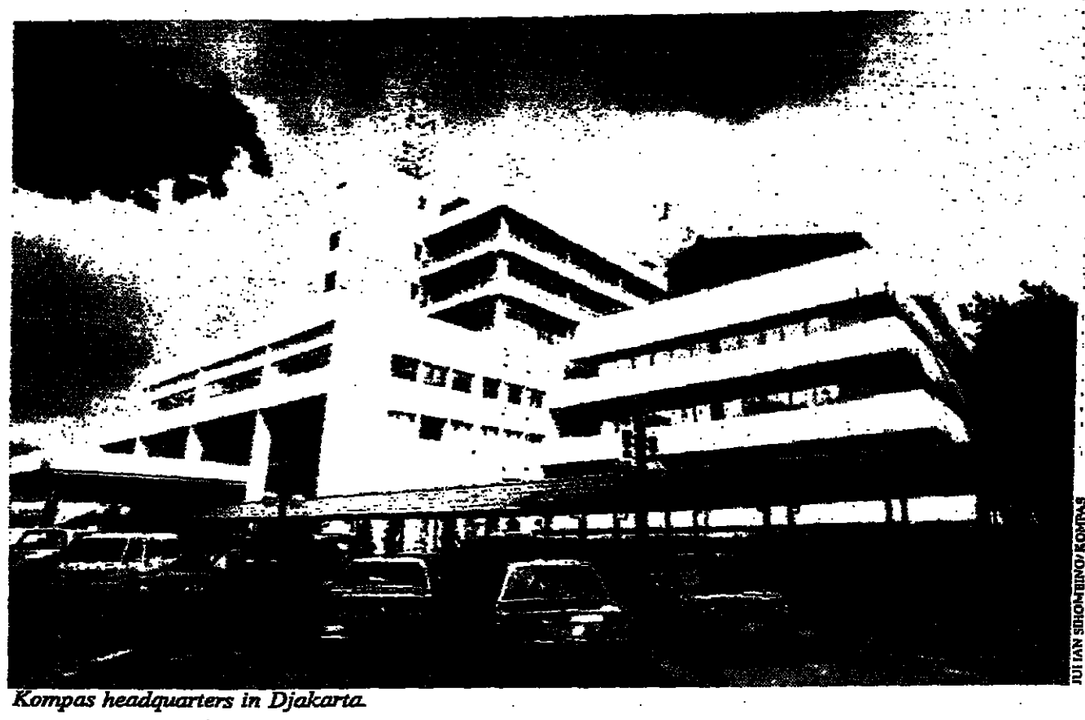
Many of the new entrants into the banking field have no background in the financial sector but are lured by the potential high returns of a banking system that offers an unusually high spread between deposit and lending rates of around 4 percent. This is far lower than that of U.S. banks, for example, which have to accept a minimal difference of only 0.5 percent. Competition is eating away at this margin, however, and in some areas the spread between lending and deposit rates has been halved.

Although foreign banks are showing increasing interest in the Indonesian market, the domestic banks remain unfazed by the threat of these potentially powerful competitors. Mr. Hidajat says he expects some pressure from the Japanese banks, but "the non-Japanese banks still have the outlook of Indonesia in 1976, when the U.S. banks were upgrading the risk factor for the country. This means that their appetite for loan business is not so big." In 1989, foreign banks raised their assets by 40 percent to $2.26 billion, which nevertheless only accounts for a modest 4 percent of total banking assets.

Like many fast-growing industries, the banking sector is experiencing some severe growth pains as it grapples with shortages of experienced staff, problems of inadequate telecommunications and rising rentals in downtown Djakarta. This does not, however, appear to be dampening the spirits of the banking houses.

The next challenge for Indonesian banks is to raise their capital adequacy levels in line with the minimum standards set by the Bank of International Settlements, which requires banks to keep capital to lending ratios above a minimum of 8 percent. Indonesia has yet to impose capital adequacy ratios but is moving in this direction, since a bank failure would cast a shadow over the successful record of growth seen so far in this sector.

Meanwhile, the customers of Indonesian banks are enjoying unprecedented choice and all kinds of incentives.



JULIAN SIHOMBING/KOMPAS

Kompas headquarters in Djakarta.

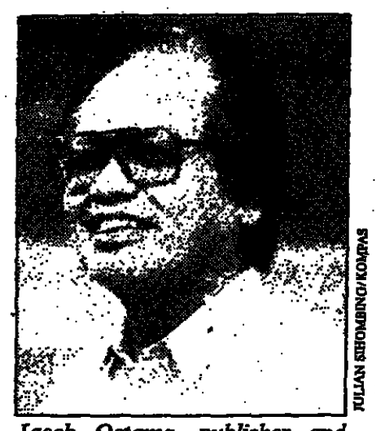
Publishing Company Diversifying

Kompas started life as a small newspaper in the Djakarta area during the troubled year of 1985, which marked the end of President Sukarno's rule of Indonesia. Today, not only is Kompas the nation's biggest and most influential newpaper, but it has also become a major publishing house and has diversified into other activities, including hotels and banking.

Despite its success, Jakob Oetama, the Kompas chairman and a founder of the company, is a frustrated man. He wants to expand the flagship newspaper beyond the maximum of 16 pages allowed four times per week. He would also like to start another paper, but fears that it is impossible to get a license to do so. Because the government wants to ensure that companies like Kompas do not get too powerful, it maintains these restrictions to stimulate competition. There is far less restraint on magazine publishing, however, and Kompas has made a major effort to secure a large slice of the market.

Kompas readership exceeds two million

Its most successful magazine is the weekly entertainment guide Monitor, which sells around 700,000 copies per week, some 130,000 more than Kompas itself. Another successful venture is the sports newspaper Bala, which is doing particularly well at the moment thanks to World Cup soccer fever. Kompas has joint ventures with four companies to produce regional newpapers, is a major publisher of comics and family magazines and has a growing business selling computer magazines and software.



JULIAN SIHOMBING/KOMPAS

Jacob Oetama, publisher and editor-in-chief, Kompas.

Kompas readership now exceeds two million.

Mr. Oetama says: "I am a newspaper man, not a businessman. But I think if I were [the latter], we would have a more diversified group of companies." He is, however, eager to expand overseas and sees possibilities in international printing operations.

Meanwhile, Mr. Oetama is enthusiastic about expanding the publishing industry at home. "A big change is taking place in our society," he says. "We need to provide guidance for people as to how they can place themselves in the changing pattern."

Mr. Oetama believes that as well as personal concerns, Indonesians have "a very strong outlook on the world." Kompas devotes about 20 percent of its space to foreign news and always has an editorial comment on overseas issues.

Mr. Oetama would like to cover all sorts of other issues in his newspaper, but space — unless he can convince the government to change its position — is at a premium.

Symbolizing underlying strength, size and independence.

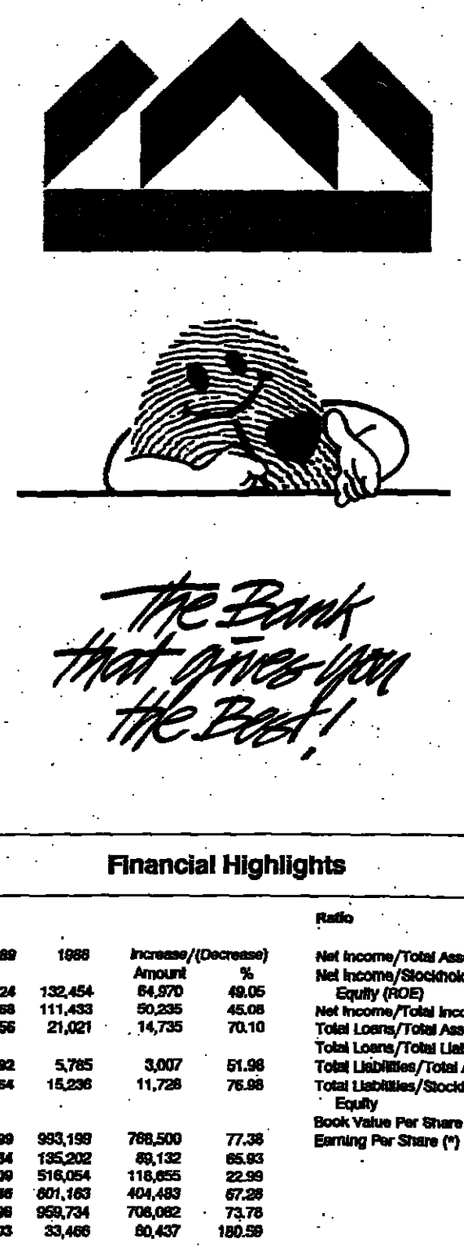
Establishing a link with Indonesia is a necessity in Asia. Amidst the dozens of new banks emerging in Indonesia, Bank Danamon stands on a solid foundation. In Indonesia, we are one of the largest non-state-owned banks and have the largest capital base of any bank. By year's end our network will include over 100 branches. And our independent status allows us to view your goals with objectivity.

Bank Danamon provides full service financial expertise in corporate advice, debt and equity management, private banking and securities trading.

BANK DANAMON

Bank Danamon, Jl. Kebon Sirih 15, Jakarta 10002, Tel. (62-021) 3805693, Tlx. 61342 BBKIP IA, Fax. 325681, Please contact Herman Tanuwidjaja.

BATES 4279



The Bank that gives you the Best!

Financial Highlights

(In Millions Rupiah)				
During The Year	1989	1988	Increase/(Decrease) Amount	%
Total Income	197,424	132,454	64,970	49.05
Total Expenses	161,668	111,433	50,235	45.08
Income Before Tax	35,756	21,021	14,735	70.10
Provision for Income Tax	8,792	5,785	3,007	51.98
Net Income	26,964	15,236	11,728	76.98
Position At End of Year				
Total Assets	1,761,699	953,199	788,500	77.38
Demand Deposits	224,334	135,202	89,132	65.93
Time Deposits	634,709	516,054	118,655	22.99
Total Loans	1,005,646	601,163	404,483	67.28
Total Liabilities	1,667,796	959,734	708,062	73.76
Stockholders' Equity	93,903	33,466	60,437	180.59

Ratio	1989	1988
Net Income/Total Assets (ROI)	1.53%	1.53%
Net Income/Stockholders' Equity (ROE)	28.71%	45.53%
Net Income/Total Income	13.66%	11.50%
Total Loans/Total Assets	57.08%	60.53%
Total Loans/Total Liabilities	60.30%	62.64%
Total Liabilities/Total Assets	94.67%	96.63%
Total Liabilities/Stockholders' Equity	17.76X	28.68X
Book Value Per Share (*)	Rp. 2,016	Rp. 5,263
Earning Per Share (*)	Rp. 580	Rp. 3,762

(*) In 1989 based on 46,524,000 stocks with Rp. 1,000 nominal value per stock, and in 1988 based on 4,050,000 stocks with Rp. 1,750.

BANK BALI

HEAD OFFICE :
JAKARTA : Jalan Hayam Wuruk No.84-85, P.O. Box 2527JKT.- 511/JAK.
Telephone : 6498006 (13 lines), 6496050 (11 lines).
Telex : 41162 BALIFX IA, 63051 BKBALI IA,
63068 BKBALI IA, 63090 BKBALI IA, 63091 BKBALI IA, 63692 BALIFX IA,
63698 BALIHO IA. Telefax : (021) - 6296412, 6290565.

PERWANA/DM/88

FRANCOIS LE DIASCORN/RAPHO

A young girl selling intricately designed textiles on Bali.

Textiles on Fast Track in Global Trade

The textile industry is Indonesia's oldest and largest manufacturing sector. The government has assigned it a position of prominence in the current five-year plan, and estimates show textile exports rising to $2.8 billion in 1994.

"In the next 10 years, Indonesia will be one of the world's biggest textile producers," says Sri Prakash Lohia, the managing director of PT Indorama Synthetics, one of Indonesia's largest synthetic textile producers. He bases his prediction on the cost competitiveness of Indonesia's textile industry, particularly for labor.

Textile exports doubled to $2.18 billion in 1989

A survey of labor costs produced by Belgium's Werner International in the middle of last year showed that the total hourly cost of textile labor in Indonesia was $0.23, ranking it at the bottom of Asian textile producers. Indonesian costs are a mere 2 percent of U.S. costs.

The cost competitiveness of the Indonesian textile industry is the main reason for a dramatic rise in textile exports. According to Bank Indonesia and World Bank figures, textile exports in 1983-84 were valued at $365 million. Within four years that figure more than tripled, to $1.28 billion, and is estimated to have almost doubled again in the last financial year to $2.18 billion.

A garment factory.

Exports of textiles are growing faster than those of any other manufacturing goods. The industry concentrates on the lower end of the textile market, providing industrial raw materials for the textile industry. It is also supplying cloth for Indonesia's fast-expanding clothing industry.

According to Soesanto Sahardjo, the director general of Multifarious Industries, the industry is likely to notch up exports of some $2.7 billion this year. The government has also increased its target for 1994, according to figures produced by the Indonesian Textile Producers Association. Export sales could rise to $4 billion.

The increase in production has accelerated thanks to higher-than-expected investment in the industry. More than 200 new plants have opened in the past few years, many of which are joint ventures with overseas companies. Most of the new plants are export-oriented.

Indorama Synthetics, a joint-venture company with Indonesian, Indian and British shareholders, is typical of those planning expansion. It recently announced its intention to build a $70 million polyester factory with the capacity to produce 52,000 tons per year. This will more than triple the company's existing capacity.

According to Indorama's Mr. Lohia, "Production capacity can increase very fast. In Indonesia, production is not the problem." He says the main restraint is quotas, which limit exports, particularly to the United States. However, the government is pursuing a strategy of increasing production of non-quota textile goods and channeling exports to non-quota countries such as Japan, Australia and some Middle Eastern states.

Meanwhile, the domestic market is also showing healthy growth. Producers expect it to expand considerably in the near future.

Prudent Macroeconomic Management

Dr. J.B. Sumarlin, previously state minister for National Development Planning, is chairman of Bappenas, the Philippines' national planning agency. An economics graduate from the University of Indonesia, he holds a masters degree from the University of California and a doctorate from the University of Pittsburgh. Here he answers journalist Stephen Vines' questions.

The Philippines' economy is experiencing a very fast rate of growth; are you concerned about overheating?

Over the next decade, our labor force will increase by 2.4 million people each year. Our challenge, therefore, will be to maintain enough growth in the economy to absorb all of them into productive employment. Nevertheless, we are well aware that our successful growth over the last 20 years is due in part to our determinaton to restrain inflation. We will continue to pursue the three policies that have led to an inflation rate below 10 percent: prudent monetary policy, conservative fiscal policy and sensible exchange rate management.

Can the economy sustain its current rate of growth; indeed, is it desirable to do so?

Barring further disruptions in the international economic system, Indonesia should be able to sustain its recent performance. And we are committed to the prudent macroeconomic management that has allowed us to evade many of the pitfalls that have ensnared many other developing countries.

What do you view as the most tangible benefits of the government's deregulation program?

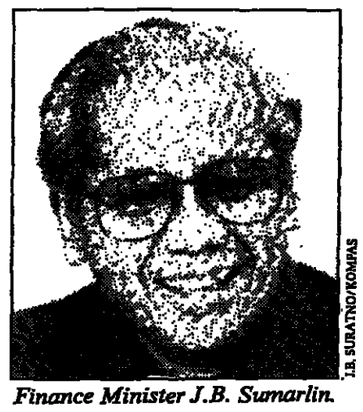
The most important and immediate contribution has been in stimulating the growth of non-oil exports. Without deregulation, exports would not have grown at 27 percent a year, as they have since 1986; and without non-oil export growth since 1986, national output and living standards would not have recovered so rapidly from the oil-price shock of the mid-1980s. Deregulation has played a central role in strengthening the international competitiveness of our producers.

Some critics say that the government is still moving too slowly in removing controls; is this a reasonable criticism?

The history of policy reform in other developing countries has made it clear that large-scale reform efforts succeed only if they are consistent with macroeconomic stability and can win broad-based political support. The fact that the momentum for reform remains strong after five years of major policy changes is a clear vindication of the gradual approach we have adopted in Indonesia.

What is happening with the government's privatization program? What are your priorities? What do you see as the main benefits?

Our policy to privatize many of our public corporations remains firm. We are undertaking a careful review to determine which state-owned companies are ready for privatization, what means of privatization should be employed and when this should be done. "Privatization" could include a variety of methods.



I.B. SURATNO/KOMPAS

Finance Minister J.B. Sumarlin.

Is Indonesia attracting the right kind of foreign investment; are you satisfied that the government has achieved a satisfactory balance of incentives and controls?

The rapid growth of foreign investment in export-oriented industries such as footwear is making an important contribution to our export drive. And even though we want to diversify further into manufacturing exports, we cannot afford to turn our back on investments in the country's rich natural resource base. We welcome all such investment and expect that it will continue to grow rapidly during the next decade. We have also provided some new targeted incentives such as industrial estates and bonded warehouses.

Is there adequate protection of the interests of investors in Indonesia's fast-growing stock market?

Investors face two types of risks: "market" risks and what I would call "manipulation" risks. It is not the government's role to safeguard investors against market risks such as vagaries of business and market cycles or the fluctuations in the affairs of individual companies. Our role is rather to provide a stable economic climate through responsible fiscal, monetary and foreign-exchange policy, and that we will continue to do. Risks can never be fully eliminated, but they can and must, however, be defined, circumscribed and policed. That calls for an explicit and contemporary regulatory framework and for a strong regulatory agency. We are not yet fully up to speed on either of those fronts — our "real" market is, after all, not even two years old — but we are getting there.

What are your current priorities for infrastructure development, and what role would you like to see overseas companies and states play in the development program?

To sustain rapid economic growth, we will have to ensure that the economic infrastructure keeps pace with investment and export growth. That means renewed attention to electric power, telecommunications, roads and port facilities in the main centers. Over the long term, Indonesia's continued development will depend upon the social infrastructure we are putting in place today. This remains a predominantly rural society, and our ability to generate development of both the rural and urban economies has depended crucially on our attention to rural infrastructure, including irrigation, transportation and social services.

Indonesia still has one of the world's highest levels of sovereign debt. Is this a matter of concern — are you satisfied with repayment arrangements?

As you know, Indonesia has never missed an interest or principal payment on any of its loans. Currently, our public debt to export ratio is around 35 percent, down from the 38 percent level of the last several years. We expect that this ratio will fall to below 30 percent by the end of our five-year plan.

National in roots
International in outlook

The roots :
BNI as the country's largest bank has 280 offices and branches in cities and town throughout Indonesia with clients in all business sectors. Manned by over ten thousand persons.

The outlook :
BNI - synonymous with Indonesia's most modern, innovative, and forward - looking bank. Trusted, experienced, efficient and courteous service to link overseas with domestic clients. Supported by 5 overseas branches: Singapore, Hongkong, Tokyo, New York, London.
Servicing all your banking need in Indonesia and abroad.

Key Figures (in thousand Rupiahs)	1988	1989*)
Balance sheet	15,282,449,335	17,834,412,533
Total Deposits	8,896,918,973	10,447,098,839
Loans	9,538,410,837	10,655,714,562
Securities Portfolio	971,848,915	925,307,279
Reserve Capital	545,180,640	598,574,431
Net Profit	70,537,399	85,547,988

*) Before Audit

BANK BNI

Address : Jalan Jenderal Sudirman Kav 1 ; P O Box 2955 JKT Jakarta 10001, Indonesia Cable : KANTOR BESAR. Telex : 45524, 45539 & 45554 KB BNI IA. Telephone: (021) 5701001 (45 lines) 5700705 (5 lines) Fax : 5700980 (International Division). Fax : 5700993 (Fund Division/Treasury)
Overseas branches : Singapore, Hongkong, Tokyo, New York , London.

We're unveiling the new Hyatt Bumi Surabaya.

The moment you enter the newly renovated Hyatt, you'll discover why it's the only five star hotel in East Java.
The decor and colour render a touch of excitement in every corner. Savour the delicious difference of the popular Arumanis Terrace Cafe Restaurant, the breathtaking Atrium Lounge, the Regency Club Rooms, even our staff uniforms. For a memorable experience, come and join us as we unveil the finest hotel in East Java.

THE HYATT TOUCH

HYATT BUMI SURABAYA

JALAN JEND. BASUKI RACHMAT 124 - 128. SURABAYA 60271. INDONESIA. PHONE : (62) (31) 511234. TELEX 34316. TELEFAX : (62) (31) 470508, 512038.

ADVERTISING SECTION

IAN MOWLAND

Djakarta skyline with the Istiqlal Mosque and Pertamina headquarters.

Non-Oil Products Take Priority in Export Drive

For the first time in Indonesia's history, manufactured exports are spearheading the nation's export drive.

All signs point to a maintenance of this performance: non-oil exports are expected to rise to $16.3 billion this year, a doubling in the space of four years.

The performance in individual industries is even more impressive. Production of textiles, for example, has been rising since 1983, with exports up last year by almost 40 percent, to $1.9 billion.

The government supported the export effort by removing restrictions on foreign investment in export-oriented industries, keeping the local currency competitive and generally cutting out the red tape. Mohamad Amid, chairman of the Asia Permai Group, a major locally owned conglomerate making everything from shoes to canned food and radios for export, says: "Before, bureaucracy slowed down our business; now it's much smoother and costs have come down."

One of the main reasons for the strength of the manufacturing industry is the low cost of labor. The official minimum daily rate is RP1,250 ($0.70), but most workers earn around RP2,000, a little more than $1.00. Unemployment is still high.

Indonesia also benefits from its large allocation of quotas for products such as textiles. Both Singapore and South Korea recently lost their status under the U.S. Generalized System of Preferences (GSP). Indonesia, on the other hand, remains firmly in the GSP bracket.

The United States, however, is not Indonesia's largest trading partner. That title goes to Japan, which takes over 40 percent of Indonesia's exports, mainly oil and gas products. The United States, which with a 16 percent share is the second-biggest export destination for Indonesian products, imports a wider variety of goods. Singapore is the third-biggest export recipient, but this is misleading because many of the goods destined for Singapore are in fact being transshipped to third countries.

The World Bank report on Indonesia, issued in May for internal distribution, says that the manufacturing sector was able to gear itself up for exports in the early stages by drawing on the excess capacity available as a result of weak domestic demand. The report points out, however, that "as the deregulation process gathered momentum, new export capacity has been created across a wide range of manufacturing items. This illustrates the value of adopting broad policy reforms that reduce costs and enhance efficiency across a spectrum of activities."

The government is acutely aware of Indonesia's vulnerability to protectionist pressures, which could harm the interests of its export industries. To combat this pressure and remove some of the grounds for counter-accusations of protectionism, the government made another move in May to reduce domestic protectionist obstacles to imports. Major tariff cuts were annouced for nearly 2,500 commodities, and import restrictions were lifted on 371 other goods.

PERTAMINA COTTAGES

A FINE RESORT HOTEL IN BALI.....
.....WHERE BUSINESS TURNS TO PLEASURE.

LOCATED AT FAMOUS KUTA BEACH, PERTAMINA COTTAGES IS THE MOST SUITABLE PLACE FOR FAMILY VACATION AND BUSINESS CONVENTION.

WE ARE KNOWN AS THE LEADING HOTEL IN BALI IN HOSTING WORLD CLASS CONVENTIONS.

RESERVATIONS :

- PERTAMINA COTTAGES
  KUTA BEACH, P.O. BOX 121 - DENPASAR
  BALI - INDONESIA.
  PHONE : (0361) 51161 FAX : (0361) 52030
  TELEX : 35131 CABLE : PERCOT
- UTELL INTERNATIONAL WORLDWIDE
- U.S.A. REP : SPECIALTY TOURS - INTERNATIONAL
  TOLL FREE NO : 1 - 800 - 421 - 3913

Gas Replacing Oil as Main Foreign-Exchange Earner

Oil and gas production once was the backbone of the Indonesian economy. That is no longer the case, although the hydrocarbon industry remains the nation's largest.

The industry is now undergoing a profound shift in emphasis. For the first time this year, liquefied natural gas and petroleum gas are expected to replace oil as Indonesia's biggest individual foreign exchange earner.

The depletion of Indonesia's oil fields, combined with the lower grades now being extracted, are responsible for the new emphasis on gas production. Fortunately for Indonesia, it has the world's largest proven reserves of gas, estimated by the government to exceed 90 trillion cubic feet, with potential reserves estimated at 200 trillion cubic feet. Unlike oil demand, which is only showing a moderate rate of increase from a low base, demand for gas is increasing.

Petroleum revenues $6 billion in 1989

Demand will be sufficiently high to take up all Indonesia's production capacity, soon to total 21.3 million metric tons. Asian countries are the main customers for the gas, with Japan taking over 80 percent of total output.

Domestic demand for liquefied natural gas is also rising, as a result of both environmental concern and competitive pricing. According to government figures, present consumption of liquefied natural gas stands at 850 million standard cubic feet per day and will rise to 1.7 billion feet by the year 2000.

Indonesia, as a leading member of the Organization of Petroleum Exporting Countries (OPEC), is subject to OPEC-agreed limits on oil production. Last year, production of crude oil averaged just over 1.4 million barrels per day, a production level in line with average output during most of the decade. The export price of oil, however, has more than halved in the same period.

Most Indonesian crude oils are selling for a little over $14 per barrel, compared with prices of as high as $38 during the heady days of 1982 when oil was in scarce supply and OPEC was a force to be reckoned with.

The difference between Indonesia and some other members of OPEC is that it has devised a planned and consistent policy to escape the worst consequences of the oil price decline. By 1985/1986, oil and gas exports were reduced to 66.6 percent of the nation's total visible exports, compared with almost 82 percent just four years previously. Last year oil and gas exports were further reduced to less than 40 percent of total exports.

In addition to lowering its dependency on the oil sector, the government stresses development of downstream activities, which give a higher value-added content to the industry. The bulk of Indonesian crude oil still goes to Singapore for refining, but there has been a rapid development of processing facilities for oil and gas non-fuel products. The state-owned oil corporation Pertamina is at the forefront of these activities.

Mines and Energy Minister Ginandjar expects Indonesia's oil and gas gross revenues to be slightly over $6 billion in the current fiscal year, $1.4 billion more than originally budgeted. This reflects a modest increase in exports of around 7 percent and slightly higher prices than anticipated at the beginning of last year, when OPEC was in considerable disarray.

FRANÇOIS LOCTION/GAMMA

Indonesian oil workers; the industry changes focus.

NO MATTER HOW YOU DRESS THEM UP...

A BANK'S STILL A BANK

To say all banks are the same, would be an overstatement.

Yes, the basic function of a bank is obvious, but the overall service, reliability and credibility varies from bank to bank.

This year in Indonesia over 100 new banks have sprung up. Sporting single branch state of the art buildings, ultra progressive images and an exterior facade that could impress the most sceptical of people.

At Bank Internasional Indonesia, we still believe in a policy of solid reliability founded on service, warmth and the ability to be totally accepted in both the consumer and corporate banking spheres.

Our growth runs hand in hand with the changes that are enveloping our 13,677 islands.

Our international standing is second to none, but above all else we're proud. Proud of the fact that we've grown to achieve the second largest net worth of all private banks in Indonesia. Proud of our ability to be recognised in the financial quarter as well as the man in the street for our portfolio of banking services. Proud of pioneering efforts and proud of our clients.

We're proud of not just being a bank, but your bank in Indonesia.

BIIDOS19/A-INT

BII

BANK INTERNASIONAL INDONESIA

Jl. MH.Thamrin Kav.22 No. 51, Jakarta, Tel.: (62-21) 3104646, 332008.
Or contact one of our branches in : Jakarta, Bandung, Cimahi, Semarang, Cirebon, Tegal, Pekalongan, Yogyakarta, Surabaya, Malang, Jember, Probolinggo, Medan, Padang, Palembang, Batam, Balikpapan, Pontianak, Samarinda, Denpasar, Ujung Pandang, Binjai, Sorong

ASIA PERMAI GROUP
LIST OF COMPANIES

NO	NAME OF COMPANIES	LOCATION	BUSINESS/PRODUCTS LINE
1	PT ASIA PERMAI MANDIRI	JAKARTA — INDONESIA	HOLDING COMPANY
2	PT ASIA PERMAI ELECTRONICS	JAKARTA — INDONESIA	SOLE AGENT OF GRUNDIG & ELECTRONICS CONSUMER PRODUCTS
3	PT UNIVERSAL INDOMATRA	JAKARTA — INDONESIA	INVESTMENT, MANUFACTURING, TRADING EXPORT-IMPORT, INTERNATIONAL MARKETING
4	PT ASTRIJATI INDONESIA ROTAN INDUSTRIES	TANGERANG — INDONESIA	RATTAN FURNITURE INDUSTRY
5	PT ASIA YUMEI ROTAN INDONESIA	TANGERANG — INDONESIA	RATTAN FURNITURE INDUSTRY
6	PT ARIMAS CITRA ROTAN INDUSTRIES	PANDAAN — INDONESIA	RATTAN FURNITURE INDUSTRY
7	PT WINAYU KARYA KIMIA	TANGERANG — INDONESIA	MANUFACTURING OF PHARMACEUTICAL RAW MATERIALS & CHEMICAL INDUSTRY
8	PT LATEXINDO LESTARI	TANGERANG — INDONESIA	MANUFACTURED OF RUBBER LATEX GLOVES
9	PT ARMA PATRIA SEJAHTERA	JAKARTA — INDONESIA	DISTRIBUTOR OF ELECTRONICS, EQUIPMENT/PROFESSIONAL EQUIPMENT, GENERAL TRADE.
10	PT WIRAGUNA SEJAHTERA	YOGYAKARTA — INDONESIA	MANUFACTURED OF LEATHER SHOES RUBBER SPORTY SHOES, LEATHER WARES AND NATURAL RUBBER WARES.
11	PT NUSANTARA AGROSWADAYA INDUSTRI	SUKABUMI — INDONESIA	AGROINDUSTRIES, PLANTATION, FISHERY, CATTLE BREEDING, CANNED FOOD & FROZEN FOOD, CANNING INDUSTRIES.
12	PT BAHAMAS SECURINDO	JAKARTA — INDONESIA	FINANCIAL CONSULTANT, STOCK BROKERAGE
13	PT BANK ARTA KUTAMAS	JAKARTA — INDONESIA	BANKING
14	PT RANDUMAS INDAH INDUSTRIES	SURABAYA — INDONESIA	WOOD WORKING
15	PT TEXTRONIC PERMAI ELECTRONICS	TANGERANG — INDONESIA	SOLE AGENT OF SANSUI - JAPAN SOLE AGENT OF SCHNEIDER - WEST GERMANY MANUFACTURING OF AUDIO & HI-FI SOUND SYSTEM
16	JOINT GLORY CO LTD	HONGKONG	EXPORT-IMPORT, INTERNATIONAL TRADING
17	UNINDO INTERNATIONAL INVESTMENT CO LTD	HONGKONG	INVESTMENT, EXPORT IMPORT, INTERNATIONAL TRADING.
18	CORONA EXPRESS PTE LTD	SINGAPORE	INVESTMENT, TRADING, FORWARDING, EXPORT-IMPORT
19	CORONA INVESTMENT INC	TORONTO — CANADA	TRADING AND INVESTMENT
20	HONG YUN ELECTRONICS	HONGKONG	TRADING ELECTRONICS PRODUCTS
21	MUTIARA SAKTI CO LTD	HONGKONG	TRADING, FORWARDING FINANCE
22	ASIA PERMAI EUROPEAN MARKETING GMBH	BREMEN — WEST GERMANY	INTERNATIONAL MARKETING, EXPORT-IMPORT
23	PT. ASIA PERMAI MULTI GRAHA	JAKARTA — INDONESIA	PROPERTIES
24	PT. ASIA PERMAI INSURANCE	JAKARTA — INDONESIA	LIFE INSURANCE and GENERAL INSURANCE
25	PT. BENURA UTAMA SECURITIES COMPANY	JAKARTA — INDONESIA	UNDERWRITER and SECURITY HOUSE
26	PT. SYNTAX ASIA COMPUTER INDUSTRIES	JAKARTA — INDONESIA	MANUFACTURING PC COMPUTER and COMPONENTS
27	PT. COSMO ASIA INDUSTRY	JAKARTA — INDONESIA	GARMENT TEXTILE INDUSTRY
28	PT. ASIA PERMAI SARANA	JAKARTA — INDONESIA	CONSTRUCTION, PROPERTY DEVELOPMENT, BUILDING MATERIALS MANUFACTURING
29	APG INTERNATIONAL INC.USA	USA	TRADING, EXPORT—IMPORT
30	PT. FORINDA CITRA PERMAI	JAKARTA — INDONESIA	TRADING, INVESTMENT, EXPORT-IMPORT
31	PT. CITRANUSA TIRTAMAS	JAKARTA — CILACAP INDONESIA	CULTIVATION OF SCHRIMP, SEA WEED, and COLD STORAGE
32	PT. CITRAMUTIARA PERMAI	JAKARTA — INDONESIA	MANUFACTURE OF LEATHER BAGS

Address : Jl. Hayam Wuruk 2 G — H, Jakarta, Indonesia
Telephone : 363261 - 374723 - 3802607
Telex : 45922 AMID IA
Fax : 62-21-366819-3802606
Chairman : H. Mohamad Amid
Contact Persons : Joeseph Tjoandi, Atung Utomo
Activities : Manufacturer, Agroindustries, Exporter-Importer and Finance

Address : Menara BDN, 10th floor
Jl. Kebon Sirih 83
Telephone : 322982 - 3802607
3800353 - 3800354
Fax : 62-21-3802606

Stock Market Performance Setting Records in 1990

The Indonesian stock market registered the best performance of any in the world in the first quarter of 1990, with an overall 52 percent increase in prices. The strong performance this year followed a record-breaking year in 1989.

It was only last year that the Indonesian stock market truly broke out of its slumber as a result of deregulation, the strength of the economy and a conscious effort to make Indonesia's financial markets reflect the considerable size of the country.

In 1989, the Djakarta stock exchange was the fastest-growing in the world. The number of companies obtaining licenses for listing rose from 27 at the beginning of the year to 67 by the end of the year. Marzuki Usman, the chairman of the Capital Market Executive Agency (BAPEPAM), as the stock exchange is called, says that he expects 122 companies to be listed by the end of the year. Some $2 billion in new capital was raised through flotations and rights issues last year.

Yet the potential for growth is still enormous. Mr. Marzuki estimates that another 300 companies are eager to enter the market in the medium term. The capitalization of the Djakarta stock exchange, at over $21 billion, is only equivalent to 3.5 percent of the country's GDP, the lowest ratio of GDP to market capitalization in the region.

"This is a big country," says Mr. Marzuki, adding: "The growth of the market is still within limits." William Daniel, the head of Baring Research in Indonesia, agrees. He says: "There's no doubt this is a bull market." Norman Li, the head of research and a vice president at the BT Prima Securities brokerage in Djakarta, is more cautious. He says that with the increasing number of counters coming onto the local stock exchange, "People are more price- and quality-sensitive. There are a lot of good-quality stocks coming up, so there's no need to rush into the market."

Although the Indonesian stock market has attracted widespread attention only in the past 18 months, its origins date back to 1912. In 1976, however, the exchange was reformed, and in August 1977, PT Semen Cibnong, a construction company, became the first to be listed on the new exchange. Mr. Marzuki recalls that it was difficult to persuade companies to go public. He says, "To float a company, businessmen have to accept full disclosure of their company's affairs. It's a painful exercise."

The reformation of the stock market was quickly followed by two packages aimed at market liberalization. The first, in December 1987, opened the capital markets to foreign investors, who were allowed to take up to 49 percent of the equity in most companies. The 1987 reforms made it easier for companies to obtain a public listing and trade their shares. The new laws also established the legal framework for a secondary over-the-counter market, but it has yet to take off.

A second reform package in October 1988 improved the tax position for shareholders and made it possible for financial institutions to issue shares. It also provided for the establishment of privately run stock exchanges outside Djakarta. A private exchange has been set up in Surabaya and is working well.

More reforms are expected before the end of the year. Particular anticipation surrounds the expectation that the government will drop its ban on foreign ownership of bank shares. "The intention," says Mr. Marzuki, "is to open up every share for the foreign investor." Melville Brown, a senior corporate advisor to the Bank Umum Nasional, says that foreign funds now own some 38 percent of local shares.

Although 1990 will be a year of rapid growth for the exchange, there are signs that investors are becoming more cautious. "The market," says Norman Li, "has attained a degree of maturity." The crazy oversubscription of new issues is subsiding, and the rating of the market is becoming more realistic. Nevertheless, the average prospective price earnings (p.e.) ratio for the market is on a multiple approaching 30.

Indonesia looks set to sustain its demanding market rating as new investors pour in. Barings forecast an impressive growth of 70 percent in 1990. The government has ambitious plans for the stock market. "I want to see the 1990s as the decade of the Indonesian capital markets," says Mr. Marzuki.

TANNENBAUM/SYGMA

PATRICK FRILET/HOA-QUI

A variety of industrial sectors, from construction to electronics, is attracting foreign investment.

Resources and Large Work Force Lure Investors

Overseas investment in Indonesia reached a new high in 1989, with overseas companies announcing plans for 294 new projects involving a financial commitment of $4.7 billion.

This is three times more than the $1.5 billion invested by foreign companies in 1987 and follows another record year in 1988, when investment projects totaling $4.4 billion were announced.

Sanyoto Sastrowardoyo, chairman of Indonesia's Investment Coordinating Board (BKPM), says:

Japan is the biggest foreign investor by far

"We are confident that prospects for foreign investment in Indonesia will be better in 1990 than last year."

Indonesia is now stressing investment for non-oil-export industries. According to Mr. Sanyoto, the country's basic advantages include a plentiful supply of raw materials and resources and one of the largest work forces in Asia. Labor costs in Indonesia are the lowest in Southeast Asia, with the exception of Vietnam. The government's traditional policy of having no exchange controls and the more recent deregulation measures combine to create a favorable environment for overseas investors.

The government can hardly say so, but Indonesia has obviously benefited from the troubles of neighboring rivals for investment dollars. Unlike other countries in the region, Indonesia has enjoyed a prolonged period of political stability, experiences very little labor unrest and is not promoting a reduction in the level of foreign involvement in the economy.

Indonesia is determined, however, to harness foreign investment for the purpose of national development. For this reason, all foreign investments must be made in joint-venture companies, and "Indonesianization" of the joint-venture companies is seen as long-term goal.

Unlike some countries eager to attract overseas investors, Indonesia has many basic advantages that make it unnecessary to dangle copious incentives. Regarding baseline considerations such as the free repatriation of profits, Indonesia has always had a liberal policy. More recently, it has been gradually opening new areas up to foreign investors and intends to liberalize the scope for inward investment. In addition, investors receive generous exemptions from import duties for the importation of major pieces of equipment and raw materials during the start-up period. The exemptions range from 50 to 100 percent, with most at the higher end.

Last year, Indonesia lowered the minimum investment requirement from $1 million to $250,000 to facilitate smaller company ventures.

Many foreign investors have been attracted to government and privately owned industrial estates found in a dozen sites throughout Indonesia. The estates provide a complete infrastructure for new factories and are within easy reach of ports, roads and airports.

After years of seeing the bulk of foreign investment going into the oil and gas industry, Indonesia is now seen as a prime center for companies making export goods aimed at the lower and middle levels of the market. The top three investors — Japan, South Korea and Hong Kong — were themselves the centers for this kind of business not so long ago. Also in the top-ten league of investors are Singapore and Taiwan, whose high production costs at home are pushing them out of the race to make competitively priced exports.

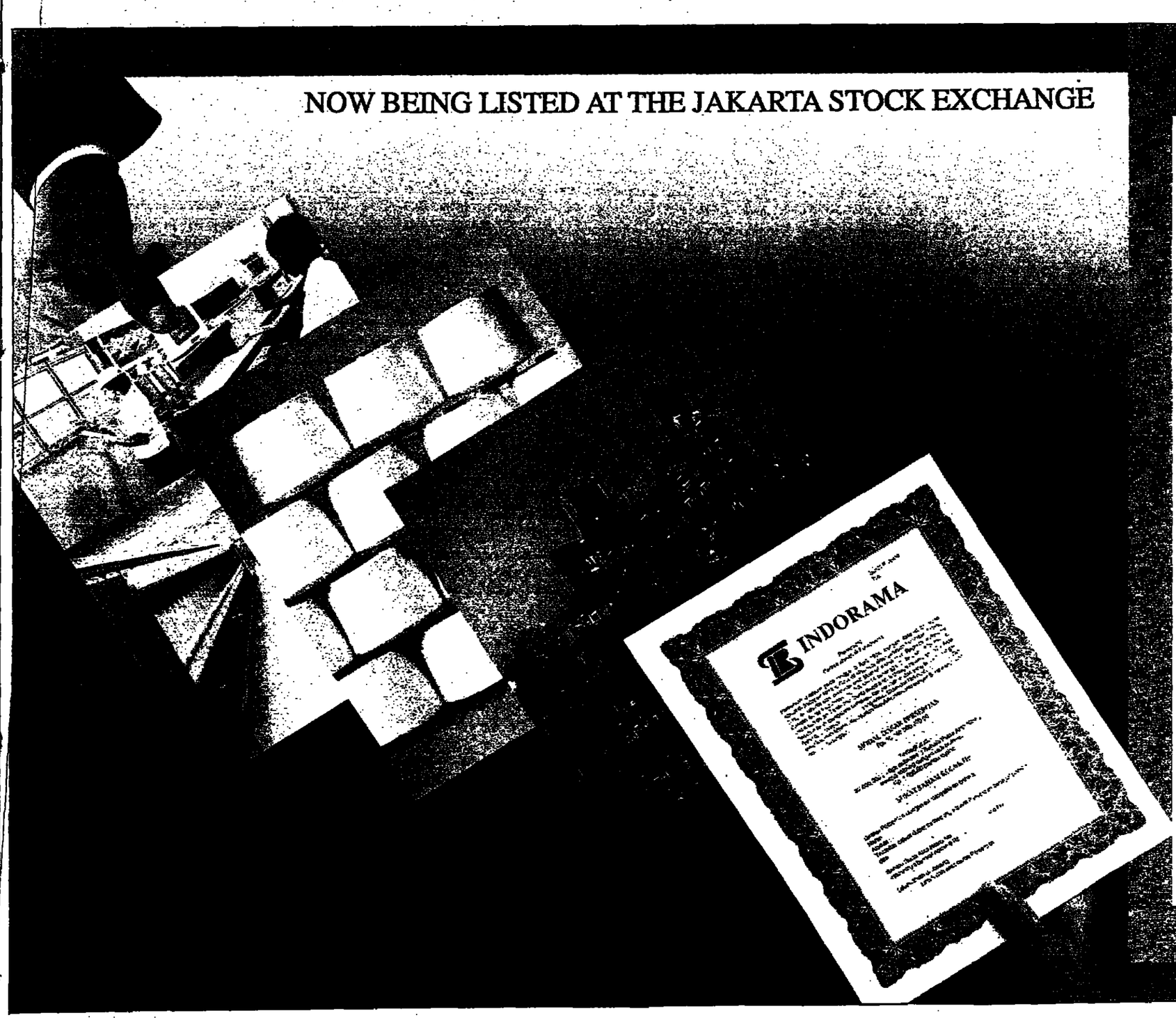
Japan is by far the biggest investor in Indonesia. Last year, Japanese companies committed over $768 million for 63 new projects. South Korea, however, is coming up fast in Japan's wake; last year it invested over $466 million in Indonesia, with 64 projects. Hong Kong companies doubled their investment last year to over $406 million to take third place.

Despite the fast expansion of manufacturing investments, the big-ticket investments still come from industries related to the oil sector. The biggest single foreign investment in Indonesia last year was made by a Dutch/Japanese consortium for a $1.5 billion olefin plant; the second biggest was made by Kellogg/Thyssen and Reinstall in a $1.1 billion synthetic rubber and plastics factory.

The chemical industry is still the major sector for foreign investment, attracting a total of $2.4 billion last year. The textiles industry, in second place, attracted $581 million, but with almost three times the number of projects.

Looking to the future, many foreign companies are eyeing opportunities on Batam Island, which since 1978 has been designated as a duty-free zone where the development of export-oriented industries is especially encouraged.

NOW BEING LISTED AT THE JAKARTA STOCK EXCHANGE



AN INVITATION TO SHARE AND PARTICIPATE IN THE PHENOMENAL GROWTH OF P.T. INDO-RAMA SYNTHETICS

P.T. Indo-Rama Synthetics is the flagship company of the multinational Indorama Group. Founded in April 1974, it is now one of the top producers and the largest exporter of synthetics blended yarn in Indonesia. With production of 15,000 tons in 1989, total turnover was US$ 51 million including exports of more than US$ 15 million. Our average annual growth since 1987 has been :

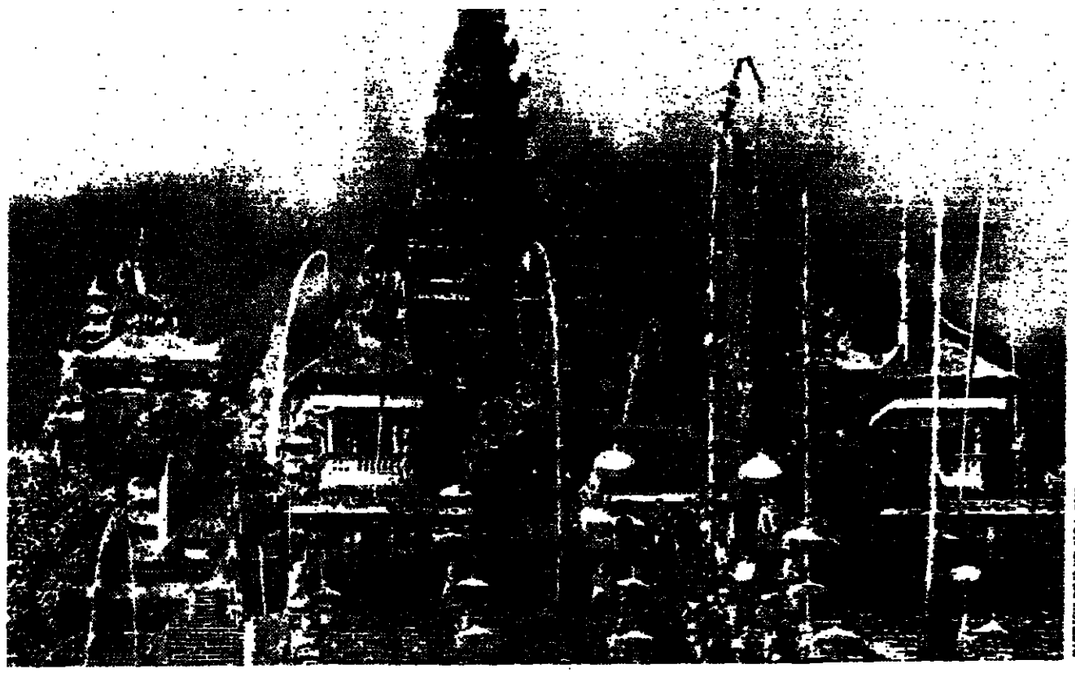
Sales	-	34%
Assets	-	60%
Profit after tax	-	243%

Indonesia is poised to be one of the major textile suppliers to the world. To maintain its foremost position in the industry, Indorama today has 2 major projects underway which will result in increasing the spinning capacity to 25,000 tons per annum by the end of this year and a new polymer division with installed capacity of 52,000 tons per annum by the middle of 1991. Total turnover in 1991 is projected to be US$ 114 million and US$ 147 million by 1992.

IN RESPONE TO OUR FIRST PUBLIC STOCK OFFERING OF 7 MILLION SHARES WHICH WAS OVER-SUBSCRIBED 10 TIMES, WE ARE NOW COMMITTED TO ACHIEVING GREATER AND GREATER SUCCESS IN THE FUTURE.

INDORAMA

PATRICK PRILIET/HOA-QUI


PATRICK PRILIET/HOA-QUI

PATRICK PRILIET/HOA-QUI

"Visit Indonesia Year" to Be Celebrated in 1991

With its 13,677 islands and breathtaking variety of scenery and natural resources, Indonesia has only started to exploit its tourist potential. The success of destinations such as Bali shows just what can be done; new destinations are being promoted.

Next year has been designated "Visit Indonesia Year," marking the culmination of tourist promotion efforts. Two million visitors were originally expected, but officials now consider that projection too modest and believe that some 2.25 million people will visit Indonesia in 1991.

There is tough regional competition for the tourist dollar. Both Thailand and Malaysia have held highly successful tourism years, and nearby Singapore has a well-developed tourist industry. Visitors to Indonesia, however, seem in no hurry to leave once they have arrived.

Tourism is prominent in the current 5-year plan

"The average stay of tourists in Indonesia is 12.2 days, compared with 3.4 days in Singapore and 3.5 in Hong Kong," says Joop Ave, director general of tourism. He adds: "While we haven't been attracting as many visitors as other key Asian destinations, our revenue has been higher because our tourists stay longer." Visitor arrivals have more than doubled in the past five years.

In 1984, 700,000 people visited Indonesia, but by 1988 the number had risen to 1.3 million. Last year, there was another 25 percent rise in the number of arrivals, more than the government target of 1.4 million. It looks as though the number of visitors this year will rise again, to 1.9 million. In the first quarter of the year, there was a record 38 percent increase in visitor arrivals.

Tourism is Indonesia's third-largest industry. "We are hoping to make it number two," says Mr. Soetedjo, the chief of public relations at the department of Tourism, Post and Telecommunications. He points out that the development of the tourism industry figures prominently in the government's current five-year economic plan.

Foreign-exchange earnings from the tourist sector totaled $1.3 billion last year, a 30 percent increase over the previous year; tourist revenues have more than doubled in the past five years.

Bali, already well-established on the tourist map, is now moving into a more sophisticated stage of development with the opening of a new convention center able to accommodate 3,000 visitors. Additional centers are also planned.

North Sulawesi, which contains some of Indonesia's most Westernized people following 400 years of contact with European countries, is also on the development list. This area is the source of many of the spices that gave Indonesia the name of the Spice Islands.

Manado, the capital of North Sulawesi, offers good access to other parts of the island and has an unspoiled coastline and rich marine life.

Lombok Island, long overshadowed by its more famous neighbor Bali, is now emerging as a destination in its own right. Aside from having the same kind of beaches that helped Bali establish its own reputation, Lombok is also known for the stunning 3,726-meter (12,295-foot) Mount Rinjani with its lush vegetation and breathtaking panoramic views.

Reflecting the diversity of Indonesia's religions and customs, the island also boasts the only temple in the world where Hindus and Muslims gather once a year for a religious feast.

West Irian, the Indonesian half of the island, which is shared with Papua New Guinea, is covered by dense tropical forest, yet it also has snowcapped mountains, glacier lakes and tropical beaches. The government is developing the town of Biak as a center for visitors. Retaining a great deal of its original character, West Irian is now being made more accessible.

The government's tourist development also focuses on the nation's mountain resorts — previously known only to local people and the more intrepid trekkers — and marine attractions, which include some of the world's finest coral reefs. There are plenty of opportunities for sailing, windsurfing and fishing.

Meanwhile, Indonesia's historical tourist attractions continue to lure visitors. Perhaps the best known is the famous eighth-century temple of Borobudur in Central Java, a masterpiece of Buddhist art near the famous city of Yogjakarta. As for the capital city of Djakarta, its hotels are now enjoying a booming trade, mostly from business visitors. Hotel occupancy rates easily exceed 80 percent, and a number of new luxury hotel developments will accommodate a steadily increasing demand.

A massive Grand Hyatt Hotel, scheduled for completion in March, will be the biggest in the city. The Holiday Inn chain is also opening a new 254-room luxury Crown Plaza Holiday Inn in 1992, and the Meridien and Regent groups are building new facilities in Djakarta.

Between 1983 and 1989, the number of international-class hotels in the country rose by 45 percent, to 402. Last year, the Investment Coordinating Board received applications for 47 new hotel developments valued at nearly $575 million.

A total of 70 new hotel projects are in the pipeline, valued at $1.5 billion. A new joint development on Batam Island with the Singaporean Keppel Marina Development is a $30 million marina to include a yacht club, water-sport facilities and hotels on an 11-hectare (27-acre) waterfront site. Singaporeans accounted for Indonesia's largest number of visitors last year.

As well as building additional hotels to house visitors, the Indonesian government has created additional entry points to the country. It is upgrading both airport and seaport facilities to ease entry and exit.

There is also a conscious effort to upgrade facilities for visitors. Money is being spent on additional services for those visiting Indonesia's magnificent national parks. Historical monuments are being restored, and additional information is being provided about them. Indonesia acknowledges, however, that it is desperately short of people with the specialized skills required for the tourist industry. It is therefore working with the private sector to improve and increase the number of training programs.

In the months leading up to "Visit Indonesia Year," the government will also pump up its tourist promotion activities in Europe, Australia, Japan and the United States. In 1991, the country will host a number of international conferences for the travel trade. First up is the Association of South East Asian Nations (ASEAN) tourism forum, to be held in Bandung in January. The forum provides a meeting place for travel industry specialists from the ASEAN countries of Brunei, Indonesia, Malaysia, the Philippines, Singapore and Thailand.

In April, the Pacific Area Travel Association will hold its PATA Mart in Djakarta, followed by the PATA Chapter World Conference in Bali. The PATA meetings are the travel trade's most important international gatherings during the year.

The Indonesians are determined to use the opportunities provided by this unprecedented influx of travel professionals to enhance the country's image as a tourist destination.

Indonesia is big enough and varied enough to provide something for nearly everyone. As the government begins its development of the tourist industry, it is well aware that only the surface has been scratched so far.

This advertising section was written by Stephen Vines, a journalist based in Hong Kong.

Welcome to Indonesia...

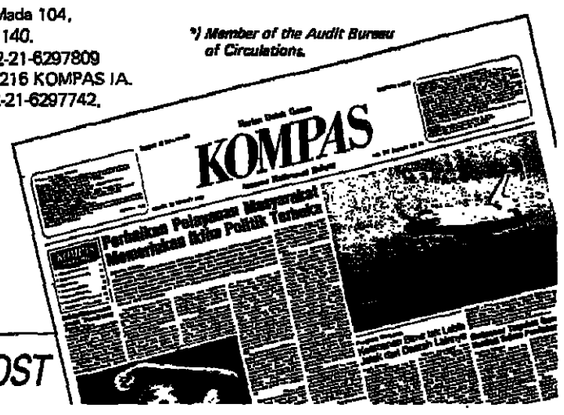
... and its wide variety of cultures and people.
To get a message through to the people, you should arm yourself with KOMPAS.
Because KOMPAS is the national newspaper with the largest audited number of circulation. 523,453* copies of KOMPAS hit the street each day, and read by 2,049,000 people. All over Indonesia.

Place your message in KOMPAS.

For further information, contact :

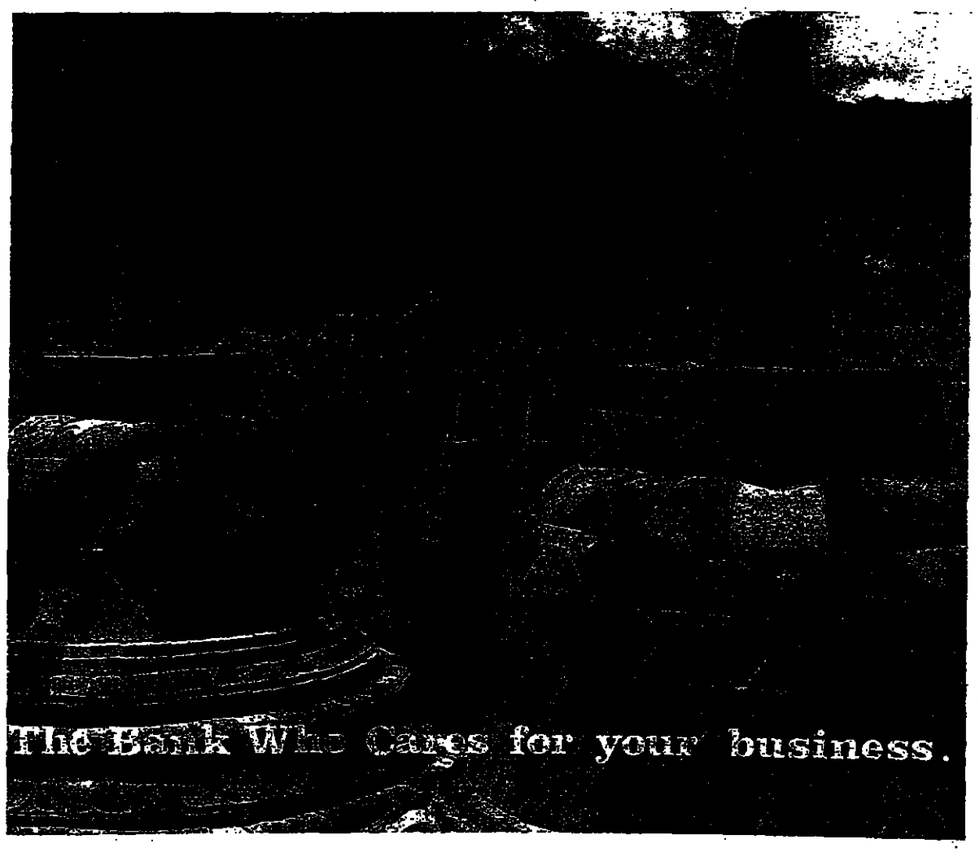
KOMPAS
Jl. Gajah Mada 104,
Jakarta 11140.
Phone : 62-21-6297809
Telex : 41216 KOMPAS IA.
Fax : 62-21-6297742.

*) Member of the Audit Bureau of Circulations.


KOMPAS

BAT ES/229/MG

WITHOUT KOMPAS, YOU ARE LOST



BANK DAGANG NEGARA
(STATE COMMERCIAL BANK)

HEAD OFFICE : Jl. M.H. Thamrin No. 5, Jakarta Phone : 321707, 3800800.
P.O. Box : 338/JKT Jakarta 10002, INDONESIA
Telex : 61628 BDNULN IA, 61649 BDNULN IA, 61621 BDNLN JKT, 61640 BDN FX IA.

OVERSEAS OFFICES :

NEW YORK (AGENCY) &
CAYMAN ISLANDS (BRANCH)
45 Broadway Atrium 30th floor
New York, N.Y. 10006,
U S A
Telex : 226698 BDN NYUR
226690 BDN NYUR

LOS ANGELES (AGENCY)
3457 Wilshire Boulevard
Los Angeles, C.A. 90010
U S A
Telex : 3716724 BDN LA USAG
3716705 BDN LA USAG

HONG KONG (REPRESENTATIVE) &
STACO INTERNATIONAL FINANCE LTD
6/F Admiralty Centre Tower II
Queensway, Victoria
Hong Kong
Telex : 60322 BDN – HX
60323 BDN FX – HX

SINGAPORE (REPRESENTATIVE)
50 Raffles Place 13-05
Shell Tower, Singapore 0104
Telex : DAGANG RS 24939

New International Bond Issues

Compiled by Laurence Desvilettes

Issuer	Amount (millions)	Mat.	Coup. %	Price	Price end week	Terms
Floating Rate Notes						
ASLK-CGER Finance Ifico	$50	2000	0.35	100	—	Over 3-month Libor until 1995 and ½ over thereafter. Callable at par in 1995. Fees 0.25%. Denominations $10,000. (Mitsubishi Finance Int'l.)
Banco di Roma (London)	$175	1999	0.05	100	—	Over 6-month Libor. Callable and redeemable at par in 1993. Fees 0.15%. Denominations $100,000. (Lehman Brothers Int'l.)
Sumitomo Bank Int'l Finance	$700	2000	¼	100	—	Over 3-month Libor until 1995 and 0.35% over thereafter. Callable at par in 1995. Fees 0.25%. Denominations $10,000. (Sumitomo Finance Int'l.)
Instituto de Credito Oficial	Y 20,000	2000	½	100	—	Below the Japanese long-term prime rate, semiannually. Callable at par in 1995. Fees 0.30%. Denominations 100 million yen. (IBJ Int'l.)
Fixed-Coupons						
Amex Credit	$150	1993	9	101.025	99.75	Noncallable. Fees 0.20%. (Lehman Brothers Int'l.)
European Investment Bank	$500	2000	9⅛	99⅝	99.63	Noncallable. Fees 0.325%. Denominations $10,000. (Merrill Lynch Int'l.)
Nacional Financiera SNC	$100	1995	11¾	98¾	—	Semiannually. Redeemable at 98.45 in 1993. Fees 1⅜%. Denominations $10,000. (Credit Suisse First Boston.)
Swedish National Mortgage SBAB	$200	1995	9½	100.675	—	Noncallable. No fees. Denominations $10,000. (Nomura Int'l.)
Ceskoslovenska Obchodni Banka	DM 250	1995	10	100⅜	—	Noncallable. Fees 2%. (Commerzbank.)
Japan Telecom	DM 60	1995	9¼	101¼	—	Noncallable private placement. Fees 1⅝%. (IBJ Deutschland.)
Skandinaviska Enskilda Banken	DM 200	2000	9	102	—	Noncallable. Fees 2½%. (Deutsche Bank.)
Dresdner Finance Amsterdam	ECU 200	1995	10⅛	101.60	99.85	Noncallable. Fees 1⅞%. (Dresdner Bank.)
Okobank	FIM 100	1993	13⅜	101¼	—	Noncallable. Fees 1⅜%. (Nikko Securities.)
Australian Gas & Light	Aus$ 50	1993	15⅜	101.95	100.55	Noncallable. Fees 1½%. (Westpac Banking.)
GMAC Australia Finance	Aus$ 75	1994	14¾	101.65	100.05	Noncallable. Fees 1⅜%. (Hambros Bank.)
State Bank of South Australia	Aus$ 100	2001	6	61	—	Noncallable. Fees 2%. (Nomura Int'l.)
World Bank	NZ$ 250	1997	12½	100.90	—	Semiannually. Noncallable. Fees 0.4365%. (Fay, Richwhite U.K.)
Alliance & Leicester Building Society	Y 15,000	1993	7.40	101⅜	—	Noncallable. Fees 1⅜%. (Mitsui Taiyo Kobe Int'l.)
Crédit Foncier de France	Y 25,000	1995	7⅛	101⅜	—	Noncallable. Fees 1⅝%. (Yamaichi Int'l Europe.)
Unibank	Y 10,000	1997	7¼	100	—	Callable at par in 1993. Private placement. (Bank of Tokyo Capital Markets.)
Equity-Linked						
Daikyo	$300	1994	4¾	100	110.25	Noncallable. Each $5,000 note with one warrant exercisable into company's shares at 4,254 yen per share. Fees 2¼%. (Nomura Int'l.)
Furukawa Electric	$300	1994	4⅜	100	104.75	Noncallable. Each $10,000 note with two warrants exercisable into company's shares at an expected 2½% premium. Fees 2¼%. Terms to be set July 16. (Yamaichi Int'l Europe.)
JGC Corp.	$170	1994	4⅜	100	111.25	Noncallable. Each $5,000 note with one warrant exercisable into company's shares at an expected 2½% premium. Fees 2¼%. Terms to be set July 17. (Nomura Int'l.)
Kao	$300	1994	4⅜	100	104.75	Noncallable. Each $10,000 note with two warrants exercisable into company's shares at an expected 2½% premium. Fees 2¼%. Terms to be set July 17. $200 million to be issued in Europe and $100 million to be issued in Asia. (Yamaichi Int'l Europe and Nikko Merchant Bank.)
Kuraray	$200	1994	4⅜	100	106.88	Noncallable. Each $5,000 note with one warrant exercisable into company's shares at an expected 2½% premium. Fees 2¼%. Terms to be set July 16. (Daiwa Europe.)
Orient Corp.	$300	1994	4⅜	100	103.75	Noncallable. Each $5,000 note with one warrant exercisable into company's shares at an expected 2½% premium. Fees 2¼%. Terms to be set July 18. (Nomura Int'l.)
Sumitomo Metal Industries	$320	1994	4⅜	100	104.50	Noncallable. Each $10,000 note with 2 warrants exercisable into company's shares at an expected 2½% premium. Fees 2¼%. Terms to be set July 16. (Nikko Securities Europe.)

Further Rally in Bond Prices Unlikely

Compiled by Our Staff From Dispatches

NEW YORK — U.S. Treasury issues are expected to hold onto most of their recent price gains, but a near-term rally is unlikely as the market comes to grips with signs that the Federal Reserve has eased credit, traders said.

The Fed signaled a lowering of short-term interest rates by adding reserves aggressively to the banking system on Friday, driving the federal funds rate down.

The market "will grind around for a day or two as it settles into the thought process that the Fed's on the move," said John Costas, a manager at First Boston Corp.

Traders now believe the Fed is targeting an 8 percent funds rate, compared to 8.25 percent previously. Funds traded briefly at 8 percent late Friday after the central bank's aggressive midday reserve injection through weekend system repurchase agreements.

Funds were expected to open at 8⅛ percent on Monday and the market will closely monitor the level of the funds rate this week for a confirmation about the extent of a Fed ease.

A full-blown rally did not occur on Friday because the market had already been prepared for an easing by Fed Chairman Alan Greenspan's comments on Thursday. Mr. Greenspan told the Senate Banking Committee that the Fed may have to act to offset a credit crunch at banks by easing.

Wall Street's inventory of securities from the past week's auctions

U.S. CREDIT MARKETS

also hindered bigger price gains on Friday, traders said.

Some traders said a perception that the Fed eased to placate the government rather than for economic reasons reduces the chance for a rally in the near-term.

"To do better from here we have to get weak economic data or customer buying," said Mark Sauvigne, a trader at Manufacturers Hanover Securities Corp.

While some dealers were of two minds as to whether the Fed had to add reserves, they were as one in agreeing that the manner in which it did so was intended to send a message to the credit markets.

What the Fed did just before midday, its usual time for executing market operations, was to buy Treasury securities from dealers and other market makers, with the understanding that the bills and other issues would be repurchased by the sellers on Monday.

While such repurchase agreements tend to be brief, usually overnight, affairs, they do have a great impact on the interest rate structure. Friday's repo operation, for example, caused the highly sensitive federal funds rate to plunge to 8 1/16 percent from 8¼ percent, after briefly trading at 8 percent.

Because federal funds are what banks charge each other for temporary loans, the rate is considered to be the bedrock cost of credit. Since last December, it has been widely assumed that the Fed favored an 8.25 percent funds rate because that was the level it seemed to tolerate.

The Treasury bill market, predictably, reacted immediately to the lower federal funds rate, with the longer government issues responding in ripple-like fashion, according to the length of the maturity.

In late trading, the discount rate on the 90-day bills fell eight basis points, or hundredths of a percentage point, to 7.60 percent; six-month bills lost four basis points, at 7.52 percent, and the one-year bills dropped seven basis points, to 7.37 percent.

In the coming week, however, a heavy economic schedule is not expected to provide the market with incentive for a rally in prices, traders said.

May business inventories are due Monday, followed by May merchandise trade and June industrial production and capacity utilization reports on Tuesday. Finally, the June consumer price index and housing starts are due Wednesday.

The market will also watch Mr. Greenspan's semi-annual Humphrey-Hawkins testimony to Congress on Wednesday, although traders said it is likely to be anti-climatic after Friday's easing signal.

"We've already heard Humphrey-Hawkins," said Gilbert Clark of Daiwa Securities America Inc.

Philip Braverman, chief economist at DKB Securities, the U.S. arm of Dai-Ichi Kangyo Bank of Tokyo, said that Mr. Greenspan had decided to ease rates because of the possible impact on the U.S. economy of a worsening credit crunch.

Brazil to Repay Debts This Year Of $4 Billion

Agence France-Presse

RIO DE JANEIRO — The Brazilian government will pay its foreign and domestic creditors at least $4 billion in 1990, according to President Fernando Collor de Mello's top debt official.

Jorio Dauster, the government's ambassador-at-large for debt affairs, said late Friday that Brazil would repay $1.2 billion to the World Bank, $950 million to the International Monetary Fund and $220 million to the Inter-American Development Bank this year.

A further $1 billion will be used to redeem Brazilian Treasury bonds, and at least $630 million of the $3.3 billion Brazil owes this year to foreign government agencies will be repaid, he said.

Concerning debts to foreign private banks, Mr. Dauster said only that "we'll pay if we can."

Tokyo Role In Warrants Set to Grow

Reuters

TOKYO — More of the business of trading warrants could move to Tokyo from London when screen trading starts here on Sept. 25, according to dealers.

"It will give you a visible market, and everyone will know exactly where these things are trading," said a dealer at a foreign brokerage that makes markets in the warrants. "That will probably attract overnight orders from London."

Dealers estimate that 70 to 80 percent of secondary trading in Japanese equity warrants already takes place in Tokyo, though the primary market is in London. That share could rise, though perhaps only slowly, once screen trading starts, dealers say.

"The Tokyo secondary market has already become bigger than the Euromarket," said an official at another foreign market-making brokerage in Tokyo.

Warrants, which convey the right to buy stock in the issuing company at a set price, are initially attached to Eurobonds, but are actively traded separately.

About 350 of the 1,000 Eurodollar warrants that have been issued by Japanese companies are said to be actively traded in Tokyo after flowing back from the Euromarket.

From Sept. 25, a brokers' broker, Japan Bond Trading Co., will provide real-time prices and daily volume for about 200 selected warrants via seven commercial screen services, the Ministry of Finance announced last week.

About 40 brokerages, including 15 foreign firms, will be market makers. Each firm will have to make a market in at least 20 warrants.

In current practice, both in Tokyo and London, investors must go through the cumbersome process of surveying dealers for warrant prices, instead of simply checking a screen for the best bid and offer.

The start of Tokyo screen trading could increase liquidity, tightening spreads in bid-asked prices.

Rates Around World March to Own Tunes

Reuters

LONDON — The world's major economies are increasingly nurturing home-grown interest-rate policies after years of producing a hybrid of the U.S. policy, analysts say.

They say the move by the U.S. central bank, the Federal Reserve Board, to ease credit a notch on Friday will not have a significant impact on global interest rates.

"The rest of the world is cultivating its own garden," said Mark Franklin, economist at Credit Suisse First Boston Ltd., "and while a bit of dollar weakness might be encouraging for them, they're not going to rush to follow the Fed in easing mode."

Some European countries look set to raise interest rates, while others may soon ease, according to economists.

U.S. economists and foreign-exchange dealers said a reduction of U.S. interest rates by at least 25 basis points was likely in the next few days. The U.S. federal funds rate, a benchmark, slipped below 8.25 percent on Friday.

In previous years this would have signaled to world markets that global interest rates were on the way down. But economists said that is unlikely to be the case this time around.

One reason for this is that the possible relaxation of U.S. monetary policy would be not so much a response to the needs of the economy as a response to concerns about the crumbling U.S. savings-and-loans industry, Mr. Franklin said.

While Britain and the United States are experiencing a slowdown in economic growth, Japan and continental Europe are growing robustly, and may have to raise rates to curb inflation.

West Germany is expected to raise interest rates in response to a rise in inflation as the two Germanys come together. However, Steven Bell, economist at Morgan Grenfell, thinks an easing in the United States may reduce pressure for higher German rates.

West Germany's Lombard rate is currently at 8 percent, while the discount rate stands at 6 percent.

France may also be forced to raise interest rates to counter a weakening of the franc within the European Monetary System. Mr. Franklin said that although the franc's weakness is technical, resulting from the strength of the Italian lira and the Spanish peseta, French rates may still have to rise by about half a percentage point.

Italy and Spain, meanwhile, leant toward an easing of monetary policy, according to economists. The peseta has been pushing against the upper limit of its divergence band in the exchange rate mechanism.

WALL STREET REVIEW

Figures as of close of trading Friday, July 13.

NYSE Most Actives

Vol.		High	Low	Last	Chg.
WalMt s	170188	35⅞	31⅞	35⅝	+4⅛
CmpAsc	163133	16⅛	8⅞	9⅞	—6
PhilMr s	125713	50½	48	49⅞	+ ⅛
GTE s	120496	32⅛	27⅛	29½	—2½
AT&T	107429	38⅛	36¼	37⅛	—1
Motel 6	89191	22¼	16¼	22	+4⅛
Contel s	88295	36⅛	26¼	35	+8⅛
GenEl	81980	75½	70⅛	74⅞	+4⅛
Glaxo	77158	31¾	30	31⅜	+1⅛
Citicorp	73623	22½	21⅛	21⅛	— ⅞
IBM	70776	122⅛	117¾	121	+3
Limitd s	58897	25⅛	22⅞	24¼	+ ⅛
Exxon	57940	49⅞	46¾	48¾	+1
FdNM s	57410	44½	41	43½	+2⅛
Unocal s	56072	30⅛	26⅛	29⅞	+3¼
BrMySq	54606	65½	62½	65	+1⅛
AmExp	51738	31¾	30½	30⅛	—1¼
McDonl	49027	38½	35½	37	+1¼
Alcan	48762	24⅛	22⅞	23¼	+ ⅛
Baxter	48156	26⅛	24½	26	+1¼
Boeing s	47977	61¾	59⅞	61⅛	+ ⅛
Waste s	46227	45½	42¼	45	+2⅛
GibM n	44428	4⅛	3¾	4⅛	+ ⅛
GnMotr	44226	49⅞	47½	49⅛	+1¼
duPont s	43084	40⅛	36⅛	39½	+1⅞

AMEX Most Actives

Vol.		High	Low	Last	Chg.
Amdhl	35851	18⅞	17¼	18⅝	+1¼
BAT In	34786	11⅝	11⅜	11½	
MoamC	26539	6⅞	5¼	6½	+1
RhnP rt	25758	15	11¼	11¼	
EchoBy	22650	12⅞	11⅜	12½	— ¼
FounH n	20661	14¾	13⅛	14¼	
Hilhav n	17219	1⅞	1⅛	1¾	
FruitL	17076	13⅛	12¼	13	+ ⅛
A-gte sc s	15847	12½	9¾	11	—1¼
ENSCO	13520	4½	3⅞	4⅛	
WangB	12699	4½	4¼	4¼	— ⅛
DowC rt	11832	9¾	9	9	— ⅜
ContAir	11541	6⅛	5¼	5⅞	— ¼
Hasbro	9934	18¼	17⅛	18⅛	+ ½
A-mo sc	9164	25⅞	23⅞	25⅛	+ ⅜
A-ge sc	8725	14⅛	11⅛	13⅞	+2⅛
A-att2 sc	7847	12⅛	11	11⅜	— ⅜
Alza	7342	49⅛	47¼	48¼	+1
AT&E	7336	17½	14⅞	15¾	—1⅛
SNk I93wt	6910	8⅛	7⅛	7⅛	+ ⅛
WDigitl	6722	14¼	13	14⅛	+1
Resurg	6437	6⅛	5⅞	6¼	+ ½
Coron g	6362	6⅛	6⅛	6⅛	+ ⅛
ICH	6137	4⅞	4⅛	4⅛	— ¼
A-gte s	5950	21	19⅜	20	— ⅜

NYSE Sales

	Sales Vol.
Total for week	856,350,000
Week ago	500,300,000
Year ago	801,290,000
Two years ago	876,000,000
Jan 1 to date	21,020,325,000
1989 to date	22,507,950,000
1988 to date	23,852,670,000

AMEX Sales

	Sales Vol.
Total for week	71,060,000
Week ago	37,980,000
Year ago	66,590,000
Jan 1 to date	1,872,800,000
1989 to date	1,333,060,000

NYSE Diaries

	This Wk	Last Wk
Advanced	1207	871
Declined	689	924
Unchanged	296	354
Total Issues	2192	2149
New Highs	224	116
New Lows	138	113

AMEX Diaries

	This Wk	Last Wk
Advanced	418	329
Declined	375	446
Unchanged	204	201
Total Issues	997	976
New Highs	72	55
New Lows	82	60

CVS DIAMOND* BASE CONSUMER SELLING PRICE — W.E. 13/7/90

CARBON VAPOUR SET DIAMOND* IN 18KT. HALLMARKED GOLD.	TOTAL DIAMOND WEIGHT-CARAT	US$ PER PIECE
CLEAN, H COLOR, EXCELLENT MAKE 1 POINTERS, DIAMOND SETTINGS.	1.00	2,560
	0.75	1,920
	0.50	1,280
	0.25	640

BLUE DIAMONDS WORLDWIDE CO. INC. — * COPYRIGHT — ALL SIZES/WEIGHTS ARE APPROX.

AIRPORT: *Macao Aims to Be an International Hub*

(Continued from first finance page)

turbulence. Last week, the mainland-controlled China Union Corp. announced it was withdrawing from the project because of concerns about noise pollution in Zhuhai, a city just north of the Macao-China border that lies in the airport's proposed flight path.

China Union's financial commitments were quickly absorbed by Mr. Ho and two prominent mainland businessmen. But the public fissure underscored what some analysts called political maneuvering among the group's Chinese investors.

Still, aviation analysts in Hong Kong said such intrigue is common among Chinese investors, and that the project still enjoys Beijing's blessing. In contrast, China has yet to embrace Hong Kong's airport plan, which includes surrounding infrastructure that is estimated to cost an additional $12 billion. Hong Kong returns to Chinese control in 1997.

Analysts said China's apparent reluctance to welcome the Hong Kong project stems in part from the failure of the government to consult Beijing before the proposal was announced. Since then, the Chinese have suggested they are unhappy with the airport's planned location at Chep Lap Kok, a remote area in Hong Kong's cluster of islands.

Chinese officials in Hong Kong have confirmed that Beijing late last month secretly sent a delegation to examine the airport plan and returned with at least three alternative sites.

"Macao is going great guns and Hong Kong hasn't even started landfill yet," said Jim Eckes, managing director of the aviation consultancy Indoswiss Aviation Ltd. "Sure, Macao's had some problems when China Union pulled out, but Stanley Ho came right back with some new shareholders. That's indicative of the 'can do' spirit that seems to prevail there."

Nevertheless, CAM officials play down the prospect of rivalry between the Macao and Hong Kong airports. When completed, Hong Kong's dual-runway facility will have the capacity to handle up to 80 million passengers. CAM expects its airport to serve 4.3 million passengers in its first year of operation.

The Hong Kong governor, Sir David Wilson, "came here last year and said the two airports should complement each other, not compete," said Stanley Ho. "And I agree with him."

CAM officials plan to promote the Macao airport as a hub for cargo and maintenance at a time when such facilities are badly lacking worldwide. CAM is already negotiating with maintenance and repair companies, as well as cargo operators, Mr. Ferreira said.

CAM officials said they have been contacted by many airlines interested in using the facility, particularly those that are not allowed to land in Hong Kong. SAS, Aeroflot, Iberia of Spain, Pakistan International Airlines and various East European carriers have all been locked out of Kai Tak, either for political reasons or because of previous air-service agreements negotiated between Britain and other countries.

Like Mr. Ho, Mr. Ferreira said it would be futile for Macao to compete with Hong Kong for regional and China-related passenger traffic. But he said the projected four-year gap between the opening of the Macao and Hong Kong airports offers Macao an opportunity to establish itself as a cargo and maintenance hub, as well as an alternative gateway for passenger traffic into China.

"In four years, our challenge will be to extend the kind of service that will persuade airlines that are not landing at Kai Tak now to remain with us after Chep Lap Kok is finished," Mr. Ferreira said.

Analysts also said Macao's airport will offer an alternative to passengers bound for Hong Kong. CAM planners have provided for a jetfoil ferry service capable of carrying passengers from the Macao airport to Hong Kong's central business district in about 50 minutes. The service would include baggage transport directly from point of origin to Hong Kong, the planners said.

Hong Kong officials have estimated it would take at least that long to travel from the Chep Lap Kok site to the colony's business district using proposed fixed crossings.

But Mr. Ferreira said CAM will not build the jetfoil facilities until the fate of Chep Lap Kok is clearer.

"Chep Lap Kok is going to be a beautiful airport," he said. "But if it isn't going to be built, our airport is going to be that much more successful."

SHEARSON: *Amex May Have to Sell Its Albatross*

(Continued from first finance page)

to cut costs by $400 million a year.

The targets of the cuts are wide-ranging. Besides the layoffs and branch closings, the firm cut back its staff at Lehman Brothers and began liquidating the portfolio of its real estate unit, Balcor Co.

More cost-cutting moves are being considered, with some expected to be announced within a few months, according to people with knowledge of the plans. These include:

- Selling Shearson's ski resort and conference center in Colorado, completed in 1988 at a cost of $24 million.

The center, which both American Express and Shearson played roles in having built, became a symbol of the firm's excesses. Shearson is negotiating with a group of film actors to purchase the property, as well as with some corporations and Japanese investors.

- Possibly combining the firm's data-processing operations and Information Services Corp., a subsidiary of American Express.

Some executives said talks exploring such a combination recently broke off, but there is a widespread belief within the firm that they will be revived.

- Increasing the automation of the municipal bond department.

Municipal bonds, a labor-intensive and once highly profitable area, have become a cash drainer for much of Wall Street.

Shearson abandoned thoughts of walking away from its bond department because the bonds are one of the three top-selling products for many of the firm's 9,000-plus brokers.

- Cutting back the number of institutional clients that will receive full research and other services from Shearson's New York headquarters.

While the firm now provides full services to some 1,600 institutional accounts, the top 400 make up about 80 percent of the business.

Because of a $630 million charge against earnings stemming from the reorganization, Shearson started the year with the worst quarter in Wall Street history, reporting a loss of $915 million.

But the firm is expected to show a slight profit in the second quarter, in part because of the operating cutbacks.

Nonetheless, many executives at Shearson admit that the firm still faces serious challenges.

The most pressing involve the possible defections of senior people because of jitters over the firm's future and frustration over its recent past.

An essential element in holding on to high-level employees is keeping the bad news to a minimum, Shearson executives said.

But some pending legal matters may make that a difficult task.

For example, the firm, which has faced a large number of legal actions stemming from aspects of the Hutton acquisition, is expected soon to reach a final settlement with some claimants, the details of which could prove embarrassing.

Moreover, Shearson executives confirmed that the New York Stock Exchange has launched an investigation of potentially fraudulent sales practices on the part of executives at a retail office in New York City that Shearson acquired when it bought Lehman Brothers Kuhn Loeb.

U.S. Treasury Bonds

July 13

Maturity	Close Bid	Ask	Yield	Wk.-ago yield
30.06.92	100 13/32	100 15/32	8.14	8.34
15.05.93	100 31/32	101 1/32	8.23	8.39
30.06.94	100 21/32	100 22/32	8.30	8.45
15.08.95	100 22/32	100 24/32	8.32	8.44
15.01.97	100 11/32	100 13/32	8.43	8.55
15.05.00	102 26/32	102 28/32	8.45	8.51
15.02.06	106 29/32	107 1/32	8.56	8.62
15.05.20	103 5/32	103 7/32	8.46	8.51

Source: Salomon Inc.

Euromarts At a Glance

Eurobond Yields

	July 11	July 4
U.S. $, 8 yrs & over	9.34	9.31
U.S. $, 5 to 7 yrs	9.30	9.23
U.S. $, less than 5 yrs	8.59	8.65
Pounds sterling, less than 5 yrs	13.72	13.42
French francs, less than 5 yrs	10.31	10.43
Ital. lira, less than 5 yrs	12.02	12.09
Danish kroner, less than 5 yrs	10.23	10.52
ECU, 8 yrs & over	10.11	10.05
ECU, 5 to 7 yrs	10.18	10.09
Can. $, less than 5 yrs	12.71	12.66
Aus. $, less than 5 yrs	14.86	15.02
N.Z. $, less than 5 yrs	13.21	13.21
Yen, 5 to 7 yrs	7.26	7.23
Yen, less than 5 yrs	7.04	7.01

Source: Luxembourg Stock Exchange.

Weekly Sales

July 12

Primary Market

	Cedel $	Cedel Non$	Euroclear $	Euroclear Non$
Straights	284.40	1,430.20	571.40	1,318.20
Convert.	3.80	—	27.80	122.90
FRNs	53.60	237.80	222.50	1,222.00
ECP	3,906.30	2,144.30	7,858.20	3,262.60
Total	4,247.50	3,812.30	8,679.10	5,924.70

Secondary Market

	Cedel $	Cedel Non$	Euroclear $	Euroclear Non$
Straights	3,318.90	12,536.50	10,327.90	11,600.40
Convert.	149.40	516.80	567.00	346.40
FRNs	724.40	1,295.70	2,453.00	2,868.50
ECP	3,857.90	3,529.20	2,536.40	3,130.90
Total	8,078.60	17,877.40	15,884.30	17,946.20

Source: Euroclear, Cedel.

Libor Rates

July 13

	1-month	3-month	6-month
U.S. $	8¼	8¼	8 5/16
Deutsche mark	8¼	8 5/16	8½
Pound sterling	14 15/16	14 15/16	14⅞
French franc	10	10⅛	10¼
ECU	10	10 5/16	10 9/16
Yen	7 9/16	7 11/16	7⅞

Source: Morgan Guaranty, Lloyds Bank, Reuters.

U.S. Consumer Rates

July 13

Tax Exempt Bonds	
Bond Buyer 20-Bond Index	7.44 %
Money Market Funds	
Donoghue's 7-Day Average	7.65 %
Bank Money Market Accounts	
Bank Rate Monitor Index	5.97 %
Home Mortgage, FHLB average	10.11 %

Source: New York Times Service, UPI.

dumez

lyonnaise des eaux

Following a proposal of Mr. Jérôme Monod, President and Managing Director of Lyonnaise des Eaux, and of Mr. Jean-Paul Parayre, President of the Board of Management of Dumez S.A., the Board of Lyonnaise des Eaux and the Management and Supervisory Boards of Dumez S.A., at a meeting on July 11, decided on the principle of a merger which will be submitted for approval to Extraordinary General Meetings of both companies.

A Major French Services Group is born

This merger will lead to the creation of a large French services group, on a European scale and with a world-wide vocation in the fields of the environment, development and distribution.

In 1990, the new Group will have an overall turnover of more than 80 Billion French Francs, which will essentially be made up of environment management (27%), development and construction (45%) and distribution of electrical equipment (21%).

The steady increase in the requirements of local authorities for environment management and development holds out substantial growth prospects in the field of integrated services.

The two groups have complementary activities in the realms of development and services. As they cater for the requirements of the same clients, their commercial development will be strengthened by the merger.

The Lyonnaise des Eaux and Dumez have in common a successful policy of international penetration, high growth rates and good financial performance.

Thanks to the quality of their staff, the two groups also share the same philosophy of quality and innovation, and the same professional ethic.

Lyonnaise des Eaux/Dumez thus becomes a major player on the industrial scene, capable of asserting its presence throughout the world by responding to the new requirements of the market.

The merger will be conducted by the Lyonnaise des Eaux, owing to the legal character of the concession contracts which it holds.

On the basis of studies carried out, an exchange parity of 4 Lyonnaise des Eaux for 3 Dumez shares can be envisaged.

NASDAQ NATIONAL MARKET

OTC Consolidated trading for week ended Friday, July 13.

	Sales in 100s	High	Low	Close	Net Ch'ge
A					
A&W Bd	3716	33¾	31½	32¾	+ ⅝
ASS .32 4.0	148	8⅞	8	8	— ½
ACC Co .16 1.2	402	13½	12½	13	— ½
ADC	1448	23⅞	21¼	21½	—1¼
ADT †	11652	31⅝	30¾	31½	— ⅝
AEL	488	5⅝	4⅞	5	— ¼
AEP s	541	14¼	13¼	14¼	+ ¾
ASK	2151	10¼	9⅜	10	+ ½
AST	18712	26⅛	24¼	25⅛	+ ⅞
AgmRt .10 1.0	97	10	9¾	10	+ ¼
AbingB .16 3.6	54	4½	3¾	4½	+ ½
AbeLInc	332	7¼	6½	6¾	+ ½
Acadin	1709	1⅛	1	1	— ⅛
Accel .20b 2.7	120	7⅞	7½	7½	+ ⅛
Acidim s	12869	13⅞	12	12¾	—1
Aceto .14b 1.1	132	13	12	13	— ½
ACMT	2	12	12	12	—1½
Acmt a	154	10¼	10	10	— ½
AcmeSt	338	17½	16¼	17¼	+ ¾
ActARt	4976	7⅜	4½	5	—2½
ActnSv .16i	250	2¼	1⅝	2	+ ⅛
vjActAut	425	¾	½	⅝	— ⅛
Acxiom	500	20½	20	20	— ⅝
AdacLb .04i	5742	1⅞	1¼	1⅝	+ ¼
Adage	170	1⅛	⅞	1	+ ¼
Adapt	7914	23½	21¼	22¾	+1
Adingt s	2425	20¼	18¼	19¾	+1¼
AdiaSv .16 .8	11147	21½	20	21	— ¼
AdobeS .24 .6	27377	39	37	38	— ½
Adtec	1693	3¾	3⅛	3¾	+ ¼
AdvCir s	2921	10¼	9½	10⅛	+ ½
AdvRos	568	10	9	9½	— ¼
AdvMag	263	14½	13⅞	13⅞	— ¼
AdMkSv	244	5⅝	5¼	5¾	
AdvPoly	2282	6¾	6⅛	6¼	— ½
AdvSem	150	5¼	4⅞	4⅞	— ⅜
AdvTel	4016	22	19½	21¾	+2
Advanta .10 .8	1079	12½	11¾	11⅞	— ½
AdvoSy	1510	12	11½	12	+ ¼
Aequitrn	1182	2½	2⅛	2⅛	— ⅛
Aegon 2.46e 3.4	259	71¾	70⅞	71¾	+ ⅞
AerSysl	973	1⅛	1	1⅛	+ ⅛
Aerovx	1741	4⅝	4	4¼	+ ⅛
AflBcCp .16i	251	2¾	2⅜	2⅝	
AflBsh	3735	13¼	11¾	13	+1¼
AgncyR .681 4.7	9317	15⅛	13¾	14⅝	+ ⅝
Agnico g .20 2.8	1376	7⅞	6⅞	7¼	+ ⅜
Agourn	264	9	8½	8⅝	— ⅜
Alcorp	4125	13½	11⅝	13	+1⅜
AirMd	964	5⅝	5	5⅝	+ ½
AirWisc	954	10⅝	10⅛	10⅛	— ⅛
AirInd	8	1	1	1	—
Airtran .16 2.6	752	6⅞	6	6⅛	
Akorn .07 4.2	236	1⅝	1⅝	1⅝	+ ⅛
Akzo 1.79e 5.3	1491	33⅞	32½	33⅝	+ ⅝
Alatan 1.10 8.6	201	13¼	12½	12¾	
Aldus	3446	27¾	26¼	27¼	+ ½
AlexBr .22 1.5	2628	14¾	13¾	14½	— ⅜
AlexBld .88 3.0	4211	29¾	27½	29	+ ¾
AlfaCp .40 4.2	392	9¾	9½	9½	
Alico .20 .7	98	29¼	28¼	28¾	— ¼
AllAm s	179	1¾	1½	1⅝	— ⅛
AllCity	10	5⅞	5⅞	5⅞	— ⅛
AlegW	923	9	7¾	8⅞	+1⅛
AlnOrg .40a 1.1	42	36	35	35	—1
AllanPh	1368	12	11	11	— ¾
Alliant	6939	5⅞	5¼	5¾	+ ½
AlldBk .30 4.3	87	7	7	7	
AlldCap 1.23e 6.5	776	19¼	18½	19	+ ½
AldCall .44e 3.8	831	18	17¼	17¼	— ¾
AlldGp .48 3.5	68	13⅝	13¼	13⅝	+ ½
AlldRsh	125	⅞	⅞	⅞	— ⅛
AloyCpt	246	9⅞	8⅜	9⅜	+ ⅜
AllstFn	16005	12⅞	11¼	11⅞	— ⅛
Allwst s .32 1.5	349	22¼	19¼	21¾	+1½
Aloette	855	⅞	⅞	⅞	—
Alpharl	256	2¾	2¼	2½	— ⅛
AlpMic	4373	3¼	2⅞	3¼	— ¼
AltaGld .06e 1.9	11667	14⅞	13¼	13¾	+ ½
Altera	6056	8¾	8⅛	8½	+ ⅜
Altos	672	5⅜	4⅝	5⅛	+ ⅜
Altron	299	14¾	14	14¾	+ ½

Southmark Bankruptcy Plan to Get Clearance

Compiled by Our Staff From Dispatches

DALLAS — Southmark Corp., the U.S. real-estate giant that filed for Chapter 11 protection from its creditors a year ago, said that it expects a court order confirming its bankruptcy reorganization plan to be issued this week.

A confirmation of the plan, which largely involves Southmark selling most of its assets and reorganizing around San Jacinto Savings Association while infusing about $100 million into the Houston thrift, would settle several class-action lawsuits filed by creditors and allow the company to emerge from bankruptcy.

The reorganization proposal also calls for Southmark to pay about $300 million to take care of approximately $2 billion in debts, with some creditors having to settle for payments ranging from a few pennies to 32 cents for each dollar owed.

The $300 million would consist of $76 million in cash, $75 million in secured notes and $100 million in preferred stock, with the rest consisting of common stock.

Southmark officials have said that they hope to have the reorganization confirmed by Tuesday, when an agreement among the holding company, San Jacinto and federal thrift regulators expires.

That is the agreement that would require Southmark to pump $100 million into San Jacinto, though the company has admitted that might not be enough to bring the thrift into compliance with federal regulations.

The reorganization plan has already been approved in a vote by the company's 127,000 creditors and security holders.

As part of the reorganization, creditors have chosen a former executive with Great Western Sugar Co., Glen Adams, to be Southmark's chief executive officer. He would replace the Atlanta businessman Arthur G. Weiss, who has led the company since former Chairman Gene Phillips and former Vice Chairman William Friedman were ousted in January 1989.

(UPI, Reuters)

WORLD STOCKS IN REVIEW

Via Agence France-Presse

Amsterdam

Share prices posted moderate gains in quiet trading on the Amsterdam exchange last week. The CBS all-share index closed at 201.2 points on Friday, up from 196.7 the previous week.

Analysts said the beginning of the summer holiday season dampened sentiment on the Amsterdam bourse.

Total turnover fell to 5.9 billion guilders from 6.1 billion guilders the previous week. Equities totaled 2.7 billion guilders, slightly up from 2.5 billion guilders the previous week.

Frankfurt

The Frankfurt market firmed at the end of last week after some hesitancy due to technical reactions to the surge that followed German monetary union on July 1.

German and foreign buying was reduced early on due to the holiday season and fears of higher interest rates, but once these fears were dispelled buying resumed.

The DAX spot trend index closed the week at 1,931.33 points, down 1.47 points. The Commerzbank index gained 8.2 points to close at 2,363.4.

Overall, trading volume on West Germany's eight exchanges was well down at only 38.3 billion Deutsche marks, against 44.71 billion DM the week before.

In the bond market, the average yield on government issues fell to 8.75 percent from 8.76 percent the previous week. Volume dropped to 35.9 billion DM from 41.14 billion a week earlier.

Hong Kong

Share prices rose sharply on the Hong Kong stock market last week in active trading. The Hang Seng Index gained 149.55 points, or 4.5 percent, to a post-1987 collapse high of 3,507.16.

Average daily turnover rose to 2.34 billion Hong Kong dollars from the previous week's 1.89 billion dollars.

The market opened firmer and had no trouble cruising through the 3,500-point level, which many analysts had expected to see crossed only later in the year.

London

Stock prices managed to end significantly higher last week in spite of a heavy flow of profit downgradings and warnings, and despite gains for the pound that raised fears that export earnings would be hit.

The Financial Times 100-stock index closed up 42.2 points at 2,382.2. The FT-30 index gained 15.1 points to 1,880.1

Early dullness was relieved by a reversal of the pound's climb after a midweek peak, while ahead of the weekend, a strong rise on Wall Street and relief that British inflation in June remained below 10 percent spurred gains.

Firmer crude oil prices lifted BP, LASMO and other oil shares.

In the insurance sector, Sun Life slumped after announcing a cash call, but Legal & General moved ahead after selling a subsidiary.

Milan

Prices recovered on the Milan stock market at the end of last week after failing to break out of a two-week slump during the first few trading days.

The MIB index gained 0.28 percent on the week to 1,068 points, while the Comit index added 0.37 percent to 732.19 points.

Volume was higher, with 60 million shares changing hands, compared with 50 million the previous week. Average daily turnover rose to 230 billion lire from 215 billion lire the week before.

Paris

A string of major corporate announcements revived the Bourse last week after weeks of listless trading. The CAC-40 Index gained 1.17 percent during the week to finish at 1,998.34.

The merger of the construction firm Dumez and the water concern Lyonnaise des Eaux, the purchase of the West German sporting goods giant Adidas by Bernard Tapie Finance and the purchase of the U.S. Motel 6 Corp. by the French hotel concern Accor provided a boost to the market.

Trading in Lyonnaise des Eaux and Dumez was suspended Monday. When trading resumed on Thursday, Dumez, considered undervalued, rose by almost 20 percent on volume of more than 1 million shares. Lyonnaise des Eaux lost 14 percent, with 1.2 million shares changing hands.

Singapore

The Singapore stock market started quietly last week but ended broadly higher as the Straits Times Industrial Index chalked up its second-biggest one-day gain of the year on Friday.

Overall, the ST index finished the week 28.42 points higher at 1,564.40, while the Stock Exchange of Singapore all-Singapore index advanced 10.5 points to 444.97.

Turnover for the week rose sharply to 297.95 million shares, worth 802.57 million Singapore dollars, from the previous week's 171.2 million units worth 441.7 million dollars.

Tokyo

Share prices on the Tokyo Stock Exchange gained in slow trading last week, with investors worried about a possible rise in interest rates.

The Nikkei average of 225 issues posted its third straight weekly gain to close Friday at 32,644.37, up 199.25 points, or 0.6 percent. The Nikkei gained 504.88 the preceding week.

The Tokyo Stock Price Index of all stocks listed on the first section added 5.64 points to 2,369.84 after a 20.84-point climb the week before.

Daily average turnover dropped from the previous week's 463.3 million shares to 419.2 million.

High-priced stocks such as Kyocera, Sony and Japan Air Lines fared well last week.

Zurich

The Zurich stock exchange rallied at the end of the week in a move attributed to Alan Greenspan's remarks.

The Swiss Performance Index closed at 1,231.0 points, compared with 1,221.1 the previous week, a gain of 0.8 percent. The Swiss Bank Corp. index gained 5.5 points to 698.2.

Banks and insurance firms were the major gainers last week.

Portugal Grows Out of EC's Cellar

Reuters

LISBON — Robust growth has taken Portugal off the bottom rung of the European Community prosperity ladder for the first time since it joined in 1986.

Official EC figures show that per-capita gross domestic product edged above that of Greece in 1989.

"The economy is dynamic," central bank governor José Tavares Moreira said. "Last year's 5.4 percent growth was more than we expected and the highest this decade."

Nearly half a century of stagnating right-wing dictatorship ended with a bloodless coup in 1974 that brought political and economic uncertainty.

But Portugal's 1986 entry into the Community and stability under the center-right government of Premier Anibal Cavaco Silva, an economist, has triggered a spectacular recovery following a similar boom in neighboring Spain.

Foreign investment has been pouring in, a sweeping privatization drive is invigorating the two bourses and unemployment has shrunk to below 5 percent.

A stubbornly high inflation rate, at nearly 13 percent, is among the Community's highest and casts a shadow on the government's annual average target of 9.5 percent to 10.5 percent this year.

Another danger ahead is the inflationary budget deficit that accounts for about 7 percent of GDP.

Officials are well aware that, while economic success has lifted the living standards of many people, a thriving underground economy and shanty towns ringing Lisbon tell a different story for less fortunate Portuguese.

Pockets of poverty from north to south remain virtually untouched by the EC aid pouring into Portugal, which in 1989 accounted for about 4 percent of GDP.

"It would be a shame to fall behind after coming so far," said one official.

Debt Ceiling Is Opposed By Aquino

Agence France-Presse

MANILA — President Corazon C. Aquino opposed Sunday a plan by congress to limit Philippine foreign-debt payments to 15 or 20 percent of foreign-exchange receipts.

She said in a statement that while the plan was laudable because it would result in more funds for social spending, the long-term consequences made the proposal "unacceptable."

Mrs. Aquino cited the case of Peru, which she said enjoyed a robust economy a year after freezing its debt payments, "but in the next few years their economy took a dive. They then failed to get any help from countries which had previously been friendly with them."

The $10.6 billion 1991 national budget submitted by Mrs. Aquino to congress early this month would allocate $805 million to service the foreign debt, which stood at $26.14 billion in April, according to the Central Bank.

"We have to ensure that the solutions we take should continue to favor economic growth, price stability and renewed access to international financial markets," Mrs. Aquino said.

Brazil to Provide New Financing to Coffee Industry

Reuters

SAO PAULO — Brazil is freeing 5 billion cruzeiros ($76 million) to finance the pre-sales stage for coffee producers and cooperatives, a senior government official said.

The funds come from money retained in the so-called coffee fund, said Joao Cunha, assistant economics minister. "With this, the producers will be able to finance their stocks," Mr. Cunha said.

The official made the statement at a news conference late Friday at which he also put Brazil's official coffee harvest estimate for this year of 22.5 million bags.

Mr. Cunha said funds will be available for 120 days at an interest rate 12 percent over a key index for inflation.

BUSINESS BRIEFS

Argentine Airline Sale Unblocked

BUENOS AIRES (Reuters) — Argentina's Supreme Court overturned a lower court decision that would have blocked the privatization of Aerolineas Argentinas, local media reported over the weekend.

Five of the Supreme Court's nine justices suspended on Friday a ruling made by a lower court earlier that day that objected to a tender held by the government to sell 85 percent of the airline, which had questioned the way Aerolineas Argentinas's shares would be split upon privatization.

A group headed by the Spanish national carrier Iberia was the sole bidder in the tender held on July 6. Argentina set a base price of $236 million cash and $1.5 billion in Argentine foreign debt certificates for the stake; the consortium's offer is due to be disclosed on Monday.

Soviets and China Set Joint Venture

BEIJING (AFP) — The Soviet Union and China are preparing to sign an agreement on forming their first industrial joint venture in China, a textile factory in Inner Mongolia, the official China Daily reported on Sunday.

The two neighbors will sign a contract within two months to build the textile factory in Baotou city, the English-language daily said, citing an official in the textile ministry's international cooperation office.

The factory, to be completed in 1992, will produce 4 million meters of linen annually, the daily said, without giving a cost.

Italian Industrial Production Slows

ROME (AFP) — The growth in Italy's industrial production slowed slightly in May, posting a 0.7 percent increase from the year earlier, the official Italian statistics bureau Istat announced Saturday.

In April, industrial production grew by 1 percent from a year earlier, a significant drop from the 2.8 percent growth rate posted in March. For the first five months of 1990, growth totaled 1.9 percent.

Singapore Telecom Sale Studied

SINGAPORE (Reuters) — The state-run statutory board Singapore Telecom said on Saturday that it has begun a second study to determine how best it can be privatized.

Morgan Grenfell (Asia) Ltd. has been appointed as an adviser, Telecom said in a statement. It said a study carried out last year determined it was feasible to privatize the board.

Malaysian Steelmaker Has Profit

KUALA LUMPUR (AFP) — The Malaysian steelmaker Perwaja Trengganu Bhd., once dubbed a white elephant, has reported pretax profit of 23.5 million ringgit ($8.7 million) for the year ended March 31, compared with a loss of 247.6 million ringgit the previous year.

Reports here Sunday quoted Chairman Zainal Abidin Sulong as saying that the profit was the company's first since it was set up in 1982. Sales more than doubled, to 447.7 million ringgit from 197.7 million ringgit.

Peak in Tin Prices Foreseen

JAKARTA (AFP) — The Indonesian mines and energy minister, Ginanjar Kartasasmita, said Saturday the current tin price of $6,000 a metric ton could only improve to around $6,500 a ton in the long term.

"The tin market will never experience its golden days again, such as when prices reached $12,000 per ton in the past. In the long term, tin prices are only expected to reach $6,500," Mr. Ginanjar said.

Malta Signs Oil Production Accord

VALLETTA (AP) — Malta signed a 30-year production-sharing contract on Saturday with the American oil company Amoco and the Australian concern BHP for oil and gas exploration in two offshore blocks in the Malta channel.

The agreement covers 4,200 square kilometers (1,500 square miles) north of the island.

NASDAQ NATIONAL MARKET

OTC Consolidated trading for week ended Friday, July 13.

(Continued)

Stock	Div	Yld	Sales in 100s	High	Low	Close	Net Ch'ge
[illegible]							

CHICAGO EXCHANGE OPTIONS

Figures as of close of trading Friday, July 13.

Option & price		Calls Jul	Calls Aug	Puts Jul	Puts Aug
[illegible]					

Total volume 784,680
Open interest 5,163,582 r—Not traded. s—None offered. o—Old.

AMERICAN EXCHANGE OPTIONS

Figures as of close of trading Friday, July 13.

Option & price		Calls Jul	Calls Aug	Puts Jul	Puts Aug
[illegible]					

Total volume 286,673
Open interest 2,757,343 r—Not traded. s—None offered. o—Old.

ESCORTS & GUIDES

INTERNATIONAL ESCORT SERVICE
Head office in New York
1841 Broadway, Ste 1000, NYC 10023
212-765-7896
MAJOR CREDIT CARDS AND CHECKS ACCEPTED

AT YOUR SERVICE
VIP ESCORT AGENCY LONDON
American Express Accepted
581 2811, 9AM-MIDNIGHT

MERCEDES
V.I.P ESCORT AGENCY
9 AM TILL MIDNIGHT - 7 DAYS
MAJOR CREDIT CARDS ACCEPTED
TEL: LONDON
(071) 351 6666

MADRID IMPACT ESCORT and Guide Service. Multilingual. Visa. Open 11am - midnight. Tel: 261 4142

TOKYO *** TOP ESCORT SERVICE Major credit cards accepted. Tel: (03) 436-4598.

LONDON VIP Escort Service Tel 071 266 4090 - 24 hours

INTERNATIONAL CLASSIFIED
(Continued From Back Page)

ESCORTS & GUIDES

THE ZOE PARTNERSHIP
Escort Service NOW IN LONDON
Europe's most sophisticated escort agency has arrived.
071 580 3192

V.I.P.
DISCREET ESCORT SERVICE 7 days LONDON (071) 224 6429 24 hours

MADRID SHADOWS
Escort Service
Telephone: 341-262.99.93

CROWN CLUB LTD
NEW YORK ESCORT SERVICE
(212) 688-2271

ROME GIRL ESCORT SERVICE. Telephone: 06-6390053. 6pm - 10 pm

* LONDON PARIS EXCLUSIVE LINK * Anne + Claire French VIP Escort Service. London (071) 351-1152

ESCORTS & GUIDES

IMPRESSIONS FOR YOU
The Most Exclusive Escort Service in NY
NYC Tel: (212) 734-9641

CHELSEA ESCORT SERVICE.
51 Beauchamp Place, London SW3.
Tel: 01-584 6513 Established 18 years.

GENEVA * MELODIE
ESCORT SERVICE. Tel 022/46 11 58

ZURICH SUSAN
ESCORT SERVICE. Tel: 01/382 05 80

ZURICH
Top Escort Service. Tel: 01/41 76 09

ZURICH
Caroline Escort Service 01/252 6174

*********TOKYO********* First Class Escort / Guide Service. Tel: (03) 351 - 2278, Discriminating Service for executives.

ESCORTS & GUIDES

GENEVA * JOY *
Escort Service. 022 / 21 99 61

***** FRANKFURT ***** Princess Escort Service, 7 days. Tel: 069 / 666 25 64.

GENEVA**ROYAL**GENEVA ** VIP ESCORT SERVICE ** OPEN 7 DAYS. Tel: 022/781.27.72.

AMSTERDAM LIBERTY ESCORT Top Class Service. Tel: 31.20-180604, Credit Cards accepted

TOKYO PRESTIGE ESCORT SERVICE 24 hours available. Tel: (03) 588-0327

- ZURICH - DOMINA LADY JANE Escort Service *** Credit cards. Tel: 01 / 252 73 59.

DUESSELDORF - COLOGNE + AREA First Class Escort Service. Tel: 0211/ 3982764 or 0161/2214379

LONDON-LACE ESCORT SERVICE Malaysians, Chinese, Thai. London 071 373 7275 - 24 hours

LONDON GEISHA SERVICE For Oriental, Chinese, Japanese + Europeans. Tel: 370 5957.

DOM UNIQUE Escort Service. Now in London. Tel 071 289 2399.

FRANKFURT * PRIVATE * Sophisticated Escort Service. Call: 069/444 798.

ESCORTS & GUIDES

GENEVA FAVOURITE Escort Service. Tel: 022 / 21 97 46

DUESSELDORF - COLOGNE "Penthouse" High Class Escort Service. THE BEST IN TOWN. 0211/49 16 33.

ZURICH AMANDA AGENCY Highest Guide Service. Tel: ZURICH 383.08.55.

* * * MUNICH * * * 91 23 14 ESCORT & GUIDE AGENCY. THE FRIENDLY SERVICE.

FRANKFURT - "TOP TEN" ESCORT SERVICE. Tel: 069/ 55 88 26. THE BEST IN TOWN. Daily from 2pm.

BRUSSELS. CATHY High Class Escort Service. Tel: (02) 734-1586 or (02) 733-3321. Credit cards accepted.

MADRID ELITE ESCORT SERVICE. VIP. MULTILINGUAL. VISA. Tel: 541-72-76.

ZURICH NEW High class Escort Service. Tel: 077 / 63 83 32.

NEW IN BRUSSELS I BACCARA II Multilingual VIP First Class Escort Service. All credit cards. 02/374.99.06

MILAN & LUGANO EXCLUSIVE **** Multilingual Escort Service. Tel: (39-2) 6691479.

MADRID DISCRETION ESCORT and guide service. Tel: 323 39 09

VIENNA BUTTERFLY ESCORT 833371

ORIENT JAPANESE CHINESE THAI Escort service. Days and evenings. Please phone 071 225 3314 London.

Continued on next page

MONDAY SPORTS

In Several NFL Camps, It's a Quarterback Shuffle

By Thomas George
New York Times Service

NEW YORK — After a tedious decision-making process that resulted in his becoming the No. 1 selection in the college draft, after signing a six-year, $15 million contract to play in his hometown for the Indianapolis Colts and after practicing at the Colts' training center for the last month, Jeff George took a vacation to Florida last week.

The Colts, along with most National Football League teams, open their training camps later this week. For George and the rest of the Colts rookies, the due date is Thursday.

"I guess this is the last time I'll be able to get away for a while," George said, laughing. "But getting away now as opposed to last summer is a totally different game. Now, I guess I'll have a little bit more vacation money to spend, huh?"

And plenty more expectations to meet when he returns.

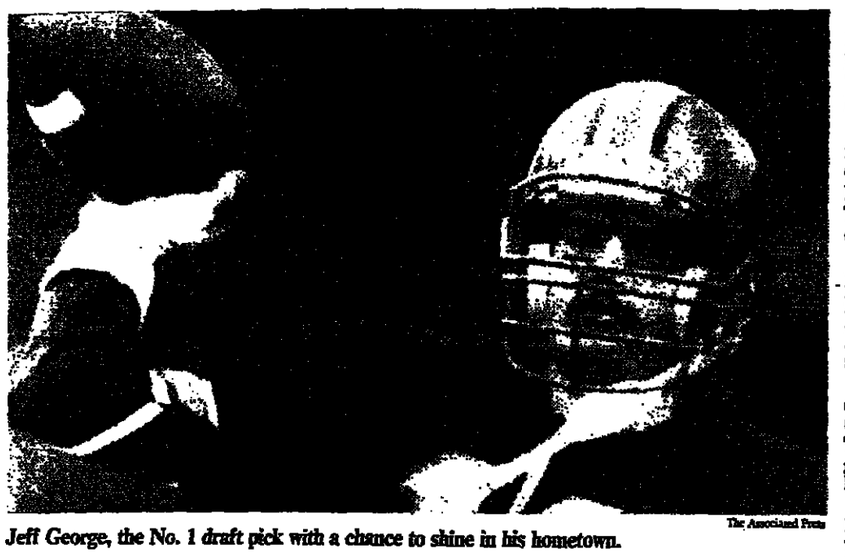
George, the tall, lean quarterback with the rifle arm and the passing poise of a pro, is expected to beat out Chris Chandler and Jack Trudeau for the Colts' starting job.

George left Illinois a year early for the NFL.

Colts fans want him in the lineup in the season opener at Buffalo on Sept. 9 or certainly by the next week, when the Colts open at home against the New England Patriots.

Fans expect him to better last season's 8-8 finish and lead Indianapolis into the playoffs for the first time in three years.

And George, like several NFL quarterbacks who will battle in camps for starting jobs this summer, expects much of the same.



The Associated Press

Jeff George, the No. 1 draft pick with a chance to shine in his hometown.

"I started thinking about turning pro a day after the Citrus Bowl, way back on Jan. 3," George said. "I knew we had a good chance to be a preseason No. 1 team at Illinois, but the more I heard from NFL people, the more I heard I'd be taken among the top five of the draft if I came out this year. And then once I knew the Colts would try and make a trade to get me, it was crystal clear what to do."

Several teams are locked in on their quarterback choice, but Indianapolis is among eight teams that say the job is wide open and will be decided during training camp and the four-game exhibition season.

"No one has said anything to me here in the organization about starting," George said. "I look at myself as the third-string quarterback coming in with the chance to work my way up.

"But, if I didn't think I could play in this league this year, I wouldn't have come out this year. If I come back and go into camp and do the same things I've done the last four or five years that got me to be the No. 1 pick, everything will take care of itself."

The other teams in which the quarterback choice is wide open are the Detroit Lions, the New Orleans Saints, the Chicago Bears, the Phoenix Cardinals, the Kansas City Chiefs, the Los Angeles Raiders and the New England Patriots.

Six teams will get to play five exhibition games, with each team involved in three special matchups before the first full weekend of exhibition games.

Chicago plays the Cleveland Browns in the Hall of Fame Game on Aug. 4 in Canton, Ohio.

The Denver Broncos play the Seattle Seahawks in the American Bowl on Aug. 4 in Tokyo and the Raiders play New Orleans in the second American Bowl on Aug. 5 in London.

In other action outside the United States, New England plays Pittsburgh in the third American Bowl on Aug. 9 in Montreal.

And for the first time, the NFL travels to Berlin, where the Los Angeles Rams play Kansas City in the fourth American Bowl Aug. 11.

The extra game for the Bears, the Raiders and the Saints is particularly handy. The Bears are ranked 19th in passing offense in 1989, the Raiders 25th and the Saints 13th.

The Bears, 6-10 and with a fourth-place finish in the National Conference Central last season, look for Jim Harbaugh or Mike Tomczak to assert himself and clearly win the job.

The Raiders lean toward Steve Beuerlein but are still exploring a trade for the Saints' Bobby Hebert. Hebert has demanded a trade, and John Fourcade (3-0 as a starter last season) hopes Hebert gets his wish.

No quarterback job is more uncertain than in Phoenix, where the Cardinals try to select from Tom Tupa, Timm Rosenbach, Gary Hogeboom and Mike Johnson, a left-handed free agent from Akron.

Joe Bugel, the Cardinals new head coach, said: "One of them will win the job or we'll find someone who can. It should be an interesting battle that should alone tell plenty about this team."

A race that will receive plenty of attention will unfold in Detroit. Bob Gagliano started seven games for the Lions last season and is familiar with their run-and-shoot offense. Rodney Peete started eight games and completed 52.8 percent of his passes while throwing for 1,479 yards, five touchdowns and nine interceptions.

Add to the mix Erik Kramer from the Canadian Football League and the Heisman Trophy winner, Andre Ware of Houston, and the Lions have depth at the position they have long yearned. Peete, however, has indicated that he may opt for pro baseball if he becomes a fixture on the bench.

Czechoslovak Sets a Record In Javelin

The Associated Press

OSLO — Jan Zelezny of Czechoslovakia regained the world javelin record with a throw of 89.66 meters (294 feet, 2 inches) at the Bislett Games track and field meet here.

Zelezny's final effort Saturday night broke the record of 89.58 meters set 12 days ago by Steve Backley of Britain.

Backley finished second with a throw of 87.94 meters.

"I'm fit now," said Zelezny, 24, who was sidelined for four months earlier this year with a back injury and did not get back into training until March, "but I didn't think about world records before the season started."

But the javelin mark may never make the record book because Zelezny used a new type of javelin that could be banned in the near future, according to Patrik Boden of Sweden, who set a record of 89.10 in March at Austin, Texas, breaking Zelezny's mark set in 1987.

The Hungarian-made javelin that Zelezny used has been on the market for a year, and no throwers will be allowed to use the model in the European Track and Field Championships next month at Split, Yugoslavia. The International Amateur Athletic Federation, world track and field's governing body, is expected to make a decision on the model later this year.

At 29, Carl Lewis Appears on a Roll

Reuters

OSLO — Carl Lewis, who arrives in Barcelona on Monday for his final European appearance before the Goodwill Games in Seattle, says he is in the best shape of his life.

He edged the Olympic silver medalist Linford Christie to the line in 10.26 seconds in the 100 meters Saturday at the Bislett Games here, and on Monday he takes part in his first long jump of the season.

"I'm in great shape," said Lewis, the double Olympic champion, who turned 29 on July 1. "I think I can run very fast this year. I think I'm in the best shape I've ever been."

Lewis said he had felt a little heavy on Saturday night because of all the traveling he had done recently.

"But I still won, that shows what condition I'm in," he said.

The American will need to stay in top condition if he is going to repulse the challenges of his exciting young compatriots Leroy Burrell and Michael Johnson.

Burrell, a disappointment in Europe last year, has shown this season just why he is the second fastest man ever at sea level.

He defeated Christie three consecutive times over 100 meters and is poised to meet Lewis in the event at the Goodwill Games July 20-August 5 in Seattle.

"We have something of the same philosophy," Burrell said. "The one who wins is the one who makes the fewer mistakes."

Burrell will also compete in Barcelona before returning home and could meet Johnson in the 200 meters, a confrontation that would put in danger Pietro Mennea's 11-year-old world record of 19.72 seconds.

AP

Carl Lewis en route to victory in the 100-meter dash in Oslo.

SCOREBOARD

BASEBALL

Major League Standings

Through Saturday

AMERICAN LEAGUE

East Division

	W	L	Pct.	GB
Boston	47	38	.553	—
Toronto	48	40	.545	½
Cleveland	43	42	.506	4
Detroit	41	47	.466	7½
Baltimore	40	46	.465	7½
Milwaukee	38	46	.452	8½
New York	38	53	.361	14

West Division

	W	L	Pct.	GB
Oakland	54	32	.628	—
Chicago	51	37	.622	1
Seattle	44	44	.500	11
Texas	43	44	.494	11½
California	43	45	.489	12
Minnesota	41	46	.471	13½
Kansas City	38	47	.447	15½

NATIONAL LEAGUE

East Division

	W	L	Pct.	GB
Pittsburgh	52	32	.619	—
New York	49	33	.598	2
Montreal	49	36	.563	4½
Philadelphia	41	42	.494	10½
St. Louis	36	50	.419	17
Chicago	36	52	.409	18

West Division

	W	L	Pct.	GB
Cincinnati	52	31	.627	—
San Francisco	46	40	.535	7½
Los Angeles	42	43	.494	11
San Diego	37	46	.446	15
Atlanta	34	49	.410	18
Houston	34	52	.395	19½

Friday's Line Scores

AMERICAN LEAGUE

Minnesota 025 201 000—5 9 0
Baltimore 200 010 14x—8 9 1
Tapani, Erickson (1), Berenguer (5), Candelaria (8) and Harper; Harnisch, Ballard (6), Williamson (7), Olson (9) and Tettleton. W—Williamson, 6-1. L— Berenguer, 6-2. Sv—Olson (19). HRs— Minnesota, Sorrento (2), Gaetti (10), Hrbek (12). Baltimore, Milligan 2 (7), Bradley (2).

Minnesota 200 001 000—3 4 0
Baltimore 000 000 100—1 4 0
West, Leach (7) and Ortiz; D.Johnson and Melvin. W—West, 5-6. L—D.Johnson, 8-5. Sv—Leach (1). HRs—Minnesota, Moses (1). Hrbek (13).

Chicago 000 210 000—3 5 0
New York 000 200 00x—2 8 1
Hibbard, B.Jones (8), Thigpen (9) and Karkovice; Cary and Geren. W—Hibbard, 7-5. L—Cary, 4-5. Sv—Thigpen (28). HR— New York, Balboni (8).

Kansas City 010 102 010—5 12 2
Boston 020 000 001—3 9 0
Gordon, Farr (7), Montgomery (9) and Macfarlane; Boddicker, Murphy (8), Ja.Reed (9) and Pena. W—Gordon, 6-6. L—Boddicker, 11-5. Sv—Montgomery (9).

Texas 000 200 400—7 10 1
Detroit 010 021 101—6 10 1
B.Witt, Arnsberg (7), Rogers (9) and Stanley; Tanana, Gleaton (7), McCullers (7) and Heath. W—B.Witt, 6-8. L—Gleaton, 1-2. Sv—Rogers (8). HRs—Detroit, Whitaker (12), Fielder (29).

Toronto 000 000 000—0 4 1
California 020 000 02x—2 4 0
Stottlemyre and Borders; Abbott and Parrish. W—Abbott, 6-7. L—Stottlemyre, 9-9. HR—California, Parrish (17).

Milwaukee 000 001 100—2 6 0
Oakland 000 000 000—0 7 2
Knudson and Surhoff; Stewart, Burns (9), Klink (9) and Quirk. W—Knudson, 6-4. L—Stewart, 11-8. HR—Milwaukee, Parker (12).

Cleveland 000 010 040—5 14 3
Seattle 100 000 060— 7 11 2
Candiotti, Orosco (8), Scanlan (8) and Alomar; M.Young, M.Jackson (7), Ge.Harris (7), Knackert (8) and S.Bradley, Shatro (8). W—Candiotti, 10-4. L—M.Young, 3-10.

NATIONAL LEAGUE

Los Angeles 000 002 003—5 14 0
Chicago 010 100 000—2 5 2
R.Martinez, Howell (9) and Scioscia; Dempsey (9): Boskie, M.Williams (9), Long (9) and Girardi. W—R.Martinez, 10-4. L—Boskie, 3-5. Sv—Howell (6).

New York 000 000 110—2 7 1
Cincinnati 000 120 00x—4 11 0
Viola, Pena (6), Innis (8) and Mercado; Browning, Myers (8) and Oliver. W— Browning, 9-5. L—Viola, 13-4. Sv—Myers (19). HR— New York, Strawberry (23).

San Diego 000 001 000—1 6 1
Pittsburgh 000 220 00x—4 9 0
Rasmussen, Lillquist (7) and Parent; Drabek, Ruskin (8), Belinda (8) and Bilardello. W—Drabek, 10-4. L—Rasmussen, 7-6. Sv—Belinda (4).

Philadelphia 020 100 100—4 5 0
Houston 010 000 001—2 5 1
DeJesus, McDowell (9), Akerfelds (9) and Daulton; Scott, Schatzeder (8), Clancy (9) and Gedman. W—DeJesus, 1-2. L— Scott, 6-9. Sv—Akerfelds (2). HRs—Philadelphia, Thon 2 (4).

San Francisco 000 120 003—6 12 0
St. Louis 001 000 000—1 4 1
Robinson, Brantley (8) and Kennedy; DeLeon, Horton (8), Terry (8), Dayley (8) and Zeile. W—Robinson, 5-1. L—DeLeon, 4-8. Sv—Brantley (14). HRs—San Francisco, Mitchell (23).

Montreal at Atlanta, ppd., rain

Saturday's Line Scores

AMERICAN LEAGUE

Kansas City 000 000 020—2 13 0
Boston 010 000 000—1 8 1
Aquino, Montgomery (8) and Polonia; Clemens, Murphy (8), Reardon (9) and Pena. W—Aquino, 4-6. L—Murphy, 0-4. Sv—Montgomery (10). HR—Boston, Romine (2).

Kansas City 000 021 110—7 14 0
Boston 002 010 02x—5 13 1
Appier, Baller (8) and Macfarlane; G.Harris, Ja.Reed (6), Bolton (7), Reardon (9) and Marzano, Pena (9). W—Bolton, 2-0. L—Baller, 0-1. Sv—Reardon (15). HR—Kansas City, Tabler (1). Boston, Burks (11).

Milwaukee 000 000 010—1 5 1
Oakland 100 000 22x—3 6 2
Krueger, Crim (8) and Surhoff; Welch, Honeycutt (8), Eckersley (8) and Hassey. W—Welch, 14-3. L—Krueger, 4-5. Sv—Eckersley (28). HR—Oakland, Canseco (24).

Chicago 140 000 000 1—6 12 0
New York 021 100 300 0—7 11 3
(10 innings)

Peterson, Edwards (5), Radinsky (7), B.Jones (7), Patterson (7), Pall (8), Thigpen (10) and Karkovice; Leary, Cadaret (2), Guetterman (9) and Nelson, Geren (8). W— Pall, 1-3. L—Guetterman, 6-4. Sv—Thigpen (29). HRs—Chicago, Karkovice (4). New York, Mass 2 (4).

Texas 104 000 000—5 8 1
Detroit 020 001 000—3 4 0
Ryan, Mayer (6), Rogers (9), Arnsberg (9) and Petralli; J.M.Robinson, C.Parker (3), Gibson (6) and Salas. Heath (7). W—Ryan, 9-4. L—J.M.Robinson, 6-7. Sv— Arnsberg (1).

Minnesota 000 000 200 00—2 6 1
Baltimore 001 100 000 01—3 11 0
(11 innings)

R.Smith, Drummond (8), Leach (10) and Harper; Mitchell, Schilling (7), Hickey (8), Williamson (8) and Tettleton. W— Williamson, 7-1. L—Leach, 2-3. HRs—Baltimore, Milligan (18), Horn (5).

Cleveland 020 100 000—3 6 0
Seattle 000 000 000—0 5 0
Black, D.Jones (8) and Allanson; R.Johnson, Comstock (9), Schooler (9) and Valle. W— Black, 8-4. L—R.Johnson, 9-4. Sv—D.Jones (25). HR—Cleveland, Snyder (12).

Toronto 000 011 221—7 16 0
California 111 000 001—4 13 0
Cerutti, Wills (5), D.Ward (7) and Myers, Borders (7); Blyleven, Belles (6), Fraser (6), Cl.Young (7), Harvey (8), Eichhorn (9) and Parrish. W—Eichhorn, 1-4. L—D.Ward, 1-4. HRs—California, Bichette 2 (10), Winfield 2 (12), Downing 2 (7).

NATIONAL LEAGUE

San Diego 004 000 000—4 6 1
Pittsburgh 030 001 04x—8 10 0
Hurst, G.Harris (7), Rodriguez (8) and Parent; Wolk, Power (7), Landrum (9) and Lavalliere. Bilardello (9). W—Power, 7-2. L—G.Harris, 4-4. HRs—San Diego, Carter (14). Pittsburgh, Bonds (17).

Los Angeles 200 100 030—6 7 1
Chicago 000 000 200—2 3 3
Morgan and Scioscia; Maddux, M.Williams (9) and Girardi. W—Morgan, 8-7. L—G.Maddux 4-9. HRs—Los Angeles, Daniels 2 (13).

Montreal 200 000 000—2 5 1
Atlanta 000 000 02x—2 10 2
De.Martinez, Burke (7), Schmidt (8) and Goff. Fitzgerald (8); Smoltz, Mercker (8) and Olson. W—Mercker, 2-0. L— Schmidt, 3-1. HR—Atlanta, Gross (3).

Montreal 020 010 021—6 10 1
Atlanta 000 000 012—3 7 1
Boyd, Frey (8), Maharcic (8) and Fitzgerald; Leibrandt, Kerfeld (7), Hershiser (8), Bedrosian (9) and Kremers. W—Boyd, 5-3. L—Leibrandt, 3-2. Sv—Maharcic (2). HR—Montreal, Fitzgerald (5).

New York 102 200 010—6 10 0
Cincinnati 000 000 103—3 9 1
Cone, Franco (8) and Hundley; Armstrong, Scudder (4), Birtsas (7), Dibble (9) and J.Reed. W—Cone, 6-4. L—Armstrong, 11-4. Sv—Franco (18).

San Francisco 000 100 000—1 9 1
St.Louis 000 000 22x—2 4 0
T.Wilson, Brantley (8) and Bathe, Kennedy (9); Magrane, La.Smith (8) and Pasnozzi, Zeile (8). W—La.Smith, 3-2. L— T.Wilson, 6-1.

Philadelphia 110 000 100—12 17 1
Houston 002 110 000— 4 13 0
Combs, Carman (7), R.McDowell (8) and Lake; Deshaies, Clancy (4), Schatzeder (4), X.Hernandez (6) and Nichols. W—Combs, 5-7. L—Deshaies, 4-8. HR— Philadelphia, Thon (5).

Japanese Leagues

Central League

	W	L	T	Pct.	GB
Yomiuri	47	28	0	.471	—
Taiyo	35	34	2	.507	9
Hiroshima	34	34	1	.500	9½
Chunichi	35	37	1	.486	10½
Yakult	32	38	0	.457	12½
Hanshin	30	42	0	.417	15½

Pacific League

	W	L	T	Pct.	GB
Seibu	45	22	2	.672	—
Orix	39	28	2	.582	7
Kintetsu	35	32	1	.522	11
Nippon Ham	34	33	0	.507	12
Lotte	34	35	2	.467	13
Daiei	17	46	3	.270	27

Saturday's Results

Yakult 2, Yomiuri 0
Taiyo 10, Hanshin 1
Chunichi 7, Hiroshima 4
Seibu 4, Daiei 3, 10 innings
Lotte 10, Orix 4
Kintetsu 9, Nippon Ham 3

Sunday's Results

Yomiuri 7, Yakult 5
Hanshin 5, Taiyo 4
Hiroshima 8, Chunichi 5
Seibu 4, Daiei 3, 11 innings
Nippon Ham 9, Kintetsu 5

CYCLING

Tour de France

Results Saturday from the 13th stage, a 168-kilometer (92.5-mile) leg from Villard de Lans to St. Etienne:

1. Eduardo Chozas, ONCE, Spain, 3 hours, 20 minutes, 24 seconds; 2. Erik Breukink, PDM, Netherlands; 3. Andy Hampsten, 7-Eleven, U.S.; 4. Roberto Conti, Ariostea, Italy; 5. Greg LeMond, Z, U.S., all same time; 6. Marino Lejarreta, ONCE, Spain, 38 seconds behind; 7. Pedro Delgado, Banesto, Spain, 39; 8. Gianni Bugno, Chateau d'Ax, Italy, 40; 9. Miguel Indurain, Banesto, Spain, 56; 10. Dmitri Konishef, Alfa-Lum, Soviet Union, 1:08.

Results Sunday from the 14th stage, a 205-kilometer (127.5-mile) leg from Le Pay en Velay to Millau:

1. Marino Lejarreta, ONCE, Spain, 5 hours 22 minutes, 3 seconds; 2. Miguel Indurain, Banesto, Spain, 24 seconds behind; 3. Gianni Bugno, Chateau d'Ax, Italy, 25; 4. Raul Alcala, PDM, Mexico, 33; 5. Greg LeMond, Z, U.S., 34; 6. Erik Breukink, PDM, Netherlands, 34; 7. Pedro Delgado, Banesto, Spain, 34; 8. Claude Criquielion, Lotto, Belgium, 34; 9. William Palacio, Ryalcao, Colombia, 34; 10. Gilles Delion, Helvetia, France, 34; 11. Fabio Parra, Kelme, Colombia, 34.

Overall Standings

1. Claudio Chiappucci, Carrera, Italy, 58 hours, 2 minutes, 3 seconds; 2. Erik Breukink, PDM, Netherlands, 1:49; 3. Greg LeMond, Z, U.S., 2:27; 4. Ronan Pensec, Z, France, 4:25; 5. Pedro Delgado, Banesto, Spain, 4:26; 6. Gianni Bugno, Chateau d'Ax, Italy, 6:03; 7. Marino Lejarreta, ONCE, Spain, 7:26; 8 Raul Alcala, PDM, Mexico, 8:48; 9. Claude Criquielion, Lotto, Belgium, 9:26; 10. Andrew Hampsten, 7-Eleven, U.S., 9:43.

TENNIS

MEN'S TOURNAMENTS

In Bastad, Sweden

Semifinals

Richard Frombera, Australia (4), def. Lars Jonsson, Sweden, 6-4, 6-2; Magnus Larsson, Sweden, def. Marcelo Filippini, Uruguay, 6-4, 6-1.

Finals

Frombera def. Larsson, 6-2, 7-6.

In Newport, R.I.

Semifinals

Pieter Aldrich, U.S., def. Gary Muller, U.S., 6-4, 7-6, (9-7); Darren Cahill (6), Australia, def. Eric Jelen (7), West Germany 7-6, (7-4), 6-3).

In Gstaad, Switzerland

Semifinals

Martin Jaite (3), Argentina, def. Ronald Agenor, Haiti, 7-5, 6-1; Sergi Bruguera, Spain, def. Marc Rosset (8), Switzerland, 6-3, 7-5.

Final

Jaite vs. Bruguera, 6-3, 6-7 (5-7), 6-2, 6-2.

In Osaka, Japan

Semifinals

Jaime Yzaga, Peru, def. Stefan Edberg, Sweden, 2-6, retired; Pete Sampras, U.S., def. Jakob Hlasek, Switzerland, 6-4, 6-3.

Final

Sampras def. Yzaga, 6-1, 6-4.

WOMEN'S TOURNAMENTS

In Osaka, Japan

Gabriela Sabatini, Argentina, def. Kimiko Date, Japan, 6-2, 4-6, 6-2; Ann Grossman, U.S., def. Rachel McQuillan, Australia, 6-4, 7-6 (8-6).

Final

Sabatini def. Grossman, 6-0, 6-1.

In Conway, N.H.

Semifinals

Ros Fairbank (3), U.S., def. Laura Gildemeister (2), Peru, 7-6 (12-10), 6-2; Jennifer Capriati (1), U.S., def. Susan Sloane (5), U.S., 6-2, 6-2.

Pedro Delgado, Banesto, Spain, 34; 8. Claude Criquielion, Lotto, Belgium, 34; 9. William Palacio, Ryalcao, Colombia, 34; 10. Gilles Delion, Helvetia, France, 34; 11. Fabio Parra, Kelme, Colombia, 34.

Overall Standings

1. Claudio Chiappucci, Carrera, Italy, 58 hours, 2 minutes, 3 seconds; 2. Erik Breukink, PDM, Netherlands, 1:49; 3. Greg LeMond, Z, U.S., 2:27; 4. Ronan Pensec, Z, France, 4:25; 5. Pedro Delgado, Banesto, Spain, 4:26; 6. Gianni Bugno, Chateau d'Ax, Italy, 6:03; 7. Marino Lejarreta, ONCE, Spain, 7:26; 8 Raul Alcala, PDM, Mexico, 8:48; 9. Claude Criquielion, Lotto, Belgium, 9:26; 10. Andrew Hampsten, 7-Eleven, U.S., 9:43.

AUTO RACING

British Grand Prix

Results Sunday from the 64-lap Formula One race on the 2.97-mile (4.78-kilometer) Silverstone circuit:

1. Alain Prost, France, Ferrari, 1 hour, 18 minutes, 30.999 seconds (145.253 mph/233.775 kph); 2. Thierry Boutsen, Belgium, Williams-Renault, 39.592 seconds behind; 3, Ayrton Senna, Brazil, McLaren-Honda, 43.088 seconds behind; 4. Eric Bernard, France, Lola-Lamborghini, 1 minute, 15.322 seconds behind; 5. Nelson Piquet, Brazil, Benetton-Ford, 1:24.883 behind; 6. Asuri Suzuki, Japan, Lola-Lamborghini; 7. Alex Caffi, Italy, Arrows-Ford; 8. Jean Alesi, France, Tyrrell-Ford, all 1 lap behind; 9. Stefano Modena, Italy, Brabham-Judd; 10. Nicola Larini, Italy, Ligier-Ford; 11. Emanuele Pirro, Italy, Dallara-Ford; 12. Paolo Barilla, Italy, Minardi-Ford, all 2 laps behind.

Overall Standings
(After 8 of 16 Races)

1. Alain Prost, France, 41 points; 2. Ayrton Senna, Brazil, 39; 3. Gerhard Berger, Austria, 25; 4. Nelson Piquet, Brazil, 18; 5. Thierry Boutsen, Belgium, 17; 6. Jean Alesi, France, and Nigel Mansell, Britain, 13; 8. Riccardo Patrese, Italy, 10; 9. Alessandro Nannini, Italy, 7; 10. Ivan Capelli, Italy, 6.

TRANSACTIONS

BASEBALL

American League

BALTIMORE—Activated Phil Bradley, outfielder, from the 21-day disabled list. Sent Chris Hoiles, infielder, to Rochester, International League.

BOSTON—Put Dwight Evans, designated hitter, on the 15-day disabled list. Called up Tim Naehring, infielder, from Pawtucket, International League.

CLEVELAND—Put Jeff Kaiser, pitcher, on the 15-day disabled list, retroactive to July 8. Recalled Charles Nagy, pitcher, from Canton-Akron of the Eastern League.

DETROIT—Called up Clay Parker, pitcher, from Toledo, International League. Waived Ed Romero, infielder.

KANSAS CITY—Put Danny Tartabull, outfielder, on the 15-day disabled list. Recalled Jeff Schulz, outfielder, from Omaha, American Association.

MILWAUKEE—Activated Chris Bosio, pitcher, from the 15-day disabled list. Designated Dennis Powell, pitcher, for reassignment.

MINNESOTA—Put Gene Larkin, outfielder, on the 15-day disabled list. Recalled Mark Guthrie, pitcher, from Portland, Pacific Coast League.

TORONTO—Put Junior Felix, outfielder, on the 21-day disabled list. Recalled Luis Sojo, infielder, from Syracuse, International League.

National League

PITTSBURGH—Assigned Jay Tibbs, pitcher, to Buffalo, American Association. Activated Bob Walk, pitcher, from the 15-day disabled list. Optioned Walt Terrell, pitcher, to Buffalo. Activated Ted Power, pitcher, from the 21-day disabled list.

ST. LOUIS—Signed Lee Smith, pitcher, to a three-year contract extension through 1993.

BASKETBALL

National Basketball Association

CHARLOTTES—Signed Johnny Newman, forward, to an offer sheet.

FOOTBALL

National Football League

CLEVELAND—Said Cody Risien, offensive lineman, will not retire and will return to the Browns for the 1990 NFL season.

DENVER—Signed Todd Ellis, quarterback; Jim Szymanski, defensive end; and Anthony Thompson, linebacker.

GREEN BAY—Dave Croston, offensive lineman, retired.

KANSAS CITY—Signed Ken Hackembeck, defensive tackle, to a series of one-year contracts.

L.A. RAMS—Signed Latin Berry, running back, to a multiyear contract.

MINNESOTA—Signed Joey Browner, strong safety, to three one-year contracts.

N.Y. JETS—Agreed to terms with Mike Haight, guard.

GOLF

Final scores Saturday from Scottish Open, played on the par-71 Gleneagles course:

Ian Woosnam, Wales	72-62-67-68—269
Mark McNulty, Zimbabwe	70-67-64-69—270
Gordon Brand Jr., Scotland	65-67-73-71—276
Malcolm Mackenzie, England	71-72-65-67—275
Derrick Cooper, England	68-69-68-72-277
Nick Faldo, England	72-73-67-65—277
David Feherty, N. Ireland	69-72-68-68—277
Peter Fowler, Australia	74-70-65-69—278
Mark Roe, England	74-68-66-71—279
Ross Drummond, Scotland	71-69-68-71—279
Craig Parry, Australia	67-74-71-67—279

DENNIS THE MENACE

"GUESS WHAT, GRAMPA? YOU'RE THE ONLY BIG PEOPLE I KNOW WHO LIKES TO GET UP EARLY!"

JUMBLE. THAT SCRAMBLED WORD GAME by Henri Arnold and Bob Lee

Unscramble these four Jumbles, one letter to each square, to form four ordinary words.

VENET
OONES
NERKUB
SHURTH

Now arrange the circled letters to form the surprise answer, as suggested by the above cartoon.

Answer here: HIS (Answers tomorrow)

Saturday's Jumbles: LIVEN FUDGY GROUCH NINETY
Answer: What that empty head said when he spoke his mind—NOTHING

PERSONAL INVESTING
IN THE IHT THE SECOND MONDAY OF EACH MONTH. EDITED FOR THE SOPHISTICATED INVESTOR — AN ESSENTIAL GUIDE TO OPPORTUNITIES AND PITFALLS — WORLDWIDE

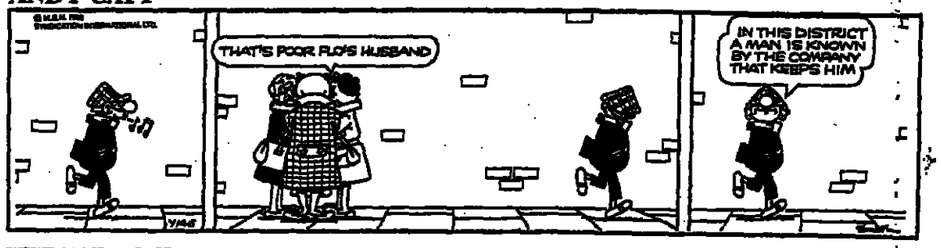
PEANUTS

BLONDIE

BEETLE BAILEY

DOONESBURY

ANDY CAPP



WIZARD of ID

REX MORGAN

GARFIELD

MONDAY SPORTS

Homework Done, Vincent Prepares to Judge Steinbrenner

By Claire Smith
New York Times Service

NEW YORK — Fay Vincent's baseball commissionership is relatively young. Yet, as he begins his deliberations on the fate of the New York Yankees' principal owner, George Steinbrenner, he does so equipped with the knowledge of 70 years of precedent-setting acts by commissioners past.

Vincent knew as soon as he took the job in September that he would be empowered to investigate "any act, transaction or practice charged, alleged or suspected to be not in the best interests of baseball," according to Article 1, Section 2B of the Major League Agreement. But as soon as Vincent launched the investigation of Steinbrenner in mid-March, he wanted to know more.

So, Vincent said, "I read a lot of books, including the biographies of all the commissioners: Landis, Bowie Kuhn, Chandler."

"It was part of the material I wanted," he continued, "part of the material compiled for me to help me build a file on all the precedents, all the disciplinary cases."

Now Vincent must determine if the clause applies to this case, in which Steinbrenner is being investigated over a payment of $40,000 to Howard Spira and the owner's often-contentious relationship with the outfielder Dave Winfield.

The investigation has sought to determine whether Steinbrenner, as Spira said, made the payment for information detrimental to Winfield. It has also looked into whether the owner conducted a campaign to discredit the outfielder and force him to accept a trade.

Equipped with the extensive research, as well as Steinbrenner's testimony from a two-day hearing and all the materials compiled during the four-month investigation, Vincent thinks he is prepared.

"I will go to work on it and see if I can sort out what the right answer is," Vincent said in an interview before departing for his summer home on Cape Cod in Massachusetts, where he will make his decision. "Once I figure out pretty much what I want to do, then I'll test it out on my partners."

NYT

George Steinbrenner: "I am ordered to refrain from comment, so I will."

NYT

Commissioner Vincent: "I have never had difficulty making a decision."

Those "partners" include John Dowd, a Washington lawyer; Steve Greenberg, the deputy commissioner; and Harold Tyler Jr., a former federal judge. Still, Vincent's judgment is the ultimate one. For while Dowd was the investigator in this case, Greenberg the liaison, and Tyler the lawyer in charge of the proceedings, Vincent said that in this final stage, "I am, in legal terms, the decision maker."

"When I ask Steve and John and the judge to join me, on Thursday or Friday, I'll have a pretty good idea what I want to do," the commissioner added.

Vincent could rule as soon as July 23.

As Dowd looked into recent events during the investigation, Vincent vigorously pursued the information from yesteryear.

"Judge Landis and Twenty-Five Years of Baseball History" by J.G. Taylor Spink, the biography of baseball's first commissioner, Kenesaw Mountain Landis, was published in 1947 and proved difficult to find.

"My sister is a librarian and she managed to locate a copy in a library way upstate in New York," Vincent said.

Vincent found that book especially helpful because it spelled out the history of the clause at issue. Vincent found that "over 70 years or so," there had been about 50 such cases, "and they range from the minor to the serious."

Those cases included Ted Turner, owner of the Atlanta Braves, who was suspended by Bowie Kuhn for tampering, and Steinbrenner, who was also suspended by Kuhn after pleading guilty to a felony charge of violating federal election laws.

In 1943, the Phillies' owner, William Cox, was forced by Landis to sell his team after Cox was found to have bet on games. Fred Saigh was forced to sell his interests in the St. Louis franchise by Ford Frick in the early 1950s after the Cardinals' owner was convicted of tax fraud.

The commissioner said he did not feel any trepidation.

"I have never had difficulty making a decision," said Vincent, who has an extensive background in law, government, and the private sector. "And I think I am able as anyone to make the decision because I've got the facts. I will make it and I will live with it."

Steinbrenner, meanwhile, was said to be preparing a legal attack based on the assertion that the investigation was biased.

A person close to Steinbrenner who is familiar with his defense said the Steinbrenner camp believed Dowd was not impartial as Vincent's representative.

"It was very biased and there are a lot of things that show up in terms of the bias in the Dowd investigation," said the Steinbrenner confidant.

Steinbrenner said when asked if his legal team had cited bias on Dowd's part: "I can make no comment because the commissioner doesn't want this played out in public. I am ordered to refrain from comment, so I will."

3d Straight Victory Puts Prost on Top

The Associated Press

SILVERSTONE, England — Alain Prost captured his third consecutive Formula One victory Sunday and gave Ferrari its first triumph in the British Grand Prix since 1978.

Prost's teammate, the 11-year veteran Nigel Mansell, said after the race that he would retire at the end of the season.

Mansell has complained recently of mechanical problems with his Ferrari and was knocked out Sunday by car failure after leading for much of the race, but he said his decision had nothing to do with those problems.

Prost, the defending champion who increased his record for Formula One victories to 43, moved into first place in the drivers' championship standings with 41 points, two ahead of Ayrton Senna.

The 35-year-old Frenchman, also a winner here in 1983, 1985 and 1989, recorded his third victory in four weeks. He won in Mexico on June 24 and triumphed in France on July 8.

It was the first time in his 11-year career that Prost had won three consecutive races.

"I am optimistic for the championship," he said, "but there is still much to do. The car was riding quite well. When I wanted to push harder, the car reacted quite well."

Prost's winning time was 1 hour, 18 minutes, 30.999 seconds for the 190-mile (306-kilometer) race. Thierry Boutsen finished 39 seconds behind Prost in a Williams-Renault, followed by Senna in a McLaren-Honda.

Prost took the lead on the 43d lap of the 64-lap race around the 2.97-mile circuit and was never caught. Before he took the lead, it had been exchanged among Senna, Mansell in a Ferrari and Gerhard Berger in a McLaren.

Mansell started from the pole position but was overtaken at the start by Senna. The two drivers exchanged the lead on the ninth lap, and then Mansell moved back into the lead on lap 12, waving to the crowd in triumph.

Senna spun out of contention a lap later but was able to get back into the race.

Berger took the lead on the 22d lap, but Mansell fought back into first place six laps later. The Briton was to drop out with mechanical problems on the 56th lap and Berger had a similar fate five laps later.

Prost, who started from the fifth position, moved into second place on the 31st lap and passed Mansell for the lead 12 laps later. He is the first Ferrari driver to win the British Grand Prix since Carlos Reutemann in 1978.

Mansell, 35, said his decision to retire at the end of the season was formed over the past six months.

"It is the hardest decision of my life," said Mansell, who has won 15 Grand Prix races but none since last summer. "Everyone thinks I'm crazy. It's my final decision and I will not reconsider.

"This is not an emotional response to today's race," he said, adding that there was "no animosity" toward Ferrari.

"Everything has been friendly," he said. "But I wanted to put my family first."

VANTAGE POINT/Dave Anderson

Phil Rizzuto, the Lonely Old Timer

New York Times Service

NEW YORK — Before he put on a New York Yankee uniform for what he agreed would probably be the last time, Phil Rizzuto was finishing another cup of coffee.

"I think I lead the league in days," he said.

"I don't know how many I've had, but Billy Martin kept track. He always told me, 'If Steinbrenner knew how many days you had . . .' But when they retired my number at my day in 1985, Tom Seaver upstaged me by winning his 300th game and then the cow they gave me stepped on my foot."

To celebrate his 50 years as a Yankee shortstop and broadcaster at Saturday's Old Timers Day, the Scooter was given a 55-second ovation, two plaques, a $25,000 donation to Easter Seals from the Money Store and a gun-metal blue Chrysler Fifth Avenue.

But he didn't get what he wanted most: a reunion with his Yankee contemporaries.

"That bothers me," he said. "But then I wasn't even invited to Old Timers Day here the last five years. You like to be invited so you can say no."

But because the guys have to play in the game, he said, the sponsors want bodies that are young enough to play.

Young enough to play but not really famous enough to deserve Old Timers Day billing.

Names like Bernie Allen, Danny Cater, John Ellis, Larry Gura, Joe Lefebvre, Mickey McDermott, Gerry Moses, Tom Shopay and Gary Thomasson will never have Yankee plaques out in what is known as Monument Park beyond left field.

"But when I saw Joe DiMaggio here, that made my day," Rizzuto said. "He was my security blanket. Whenever I turned around and saw him in center field, I knew everything was all right."

All right in those years when the Yankees were winning the World Series almost every season.

But not all right Saturday.

Not when 72-year-old Phil Rizzuto was surrounded by many Yankees he knew only as a broadcaster, but not as a teammate.

In celebrating his continuous half a century with the Yankees, it was as if he were being honored only to hype the Old Timers Day ticket sale.

Of Rizzuto's teammates, only DiMaggio, Whitey Ford, Bill Skowron and Tommy Byrne were introduced.

Mickey Mantle and Yogi Berra had been invited but were absent with Rizzuto's blessing.

Mantle was on display at a baseball memorabilia show. Berra was on the aircraft carrier Enterprise off the Virginia coast with John McMullen, the owner of the Houston Astros and a former naval commander.

"I had dinner with Yogi about three weeks ago," Rizzuto said. "He told me he'll never set foot in Yankee Stadium as long as George Steinbrenner owned the team. I told him I respected how he felt."

But where were Tommy Henrich, Frank Crosetti, Allie Reynolds, Ed Lopat, Marius Russo, Gil McDougald, Hank Bauer, Gene Woodling, Gerry Coleman, Johnny Mize, Enos Slaughter, Don Larsen, Bob Turley, Andy Carey, Ralph Houk, Charlie Silvera and Gus Niarhos?

None had been invited because, as Jim Ogle of the Yankee Alumni Association explained, most were deemed too old to play. But the Yankees could have extended special invitations.

But the presence of DiMaggio, wearing a blue blazer instead of a Yankee uniform, was enough to smooth Rizzuto's feathers.

"I was a fresh rookie trying to take Crosetti's job," Rizzuto said, speaking of 1941.

"But in spring training, some of the veterans wouldn't let me hit. They'd keep saying they had to get some extra swings, so I'd go over to one of the other diamonds to take batting practice. But after a few days of that, DiMaggio told them: 'Let the kid hit. How are we going to know what he can do if we don't let him hit?' After that I hit every day."

The Associated Press

Phil Rizzuto, right, with Joe DiMaggio on Old Timers Day.

For the 1941 season opener, Rizzuto displaced Crosetti as the Yankee shortstop.

"Opening day in Washington with President Roosevelt, my first live president," Rizzuto recalled.

"But when I was at shortstop, Crosetti was in the dugout moving me for the hitters. Two steps this way for this guy. Two steps that way for that guy."

In the Yankee clubhouse Saturday, Tommy Byrne remembered Rizzuto's most memorable moment as a player: a squeeze bunt that scored DiMaggio for a game-winning run against Bob Lemon of the Cleveland Indians.

"Lemon was smart," Rizzuto said. "When he saw DiMaggio running, he threw at me, trying to hit me. When I got the ball down, he threw his glove in disgust. But to me, bunting was so easy. In batting practice, Joe Gordon would bet me that I couldn't bunt using the end of the bat like it was a pool cue. If the ball skidded off the bat, I could've gotten hurt, but I usually got the ball down. I even practiced bunting behind my back, figuring sooner or later a pitcher would throw the ball behind me. I'd get the bat on the ball behind my back, too. But I never had a chance to do it in a game."

For the last 35 seasons, of course, Rizzuto has been a Yankee broadcaster. If that's the word. He's really been just a Yankee fan with a microphone. Sometimes just himself with a microphone.

Perry Powers Royals Over the Red Sox, 13-4

Compiled by Our Staff From Dispatches

Gerald Perry led an 18-hit attack with a single, double and three stolen bases as the Kansas City Royals scored three runs to break a sixth-inning tie Sunday and beat the Boston Red Sox, 13-4, in Boston.

With the score 3-3, Jim Eisenreich walked and took third on Perry's hit-and-run single. Dennis Lamp replaced Dana Keicker and allowed Pat Tabler's sacrifice fly.

Perry stole second, and Mike Macfarlane walked. Perry then stole third and scored on Bill Pecota's squeeze bunt that sent Macfarlane to second. Consecutive singles by Kevin Seitzer and Kurt Stillwell made it 6-3.

Kansas City added six runs in the seventh on RBI singles by Tabler, Macfarlane, Pecota and Stillwell and George Brett's two-run double.

Macfarlane added an RBI double in the ninth.

Twins 10, Orioles 3: In Baltimore, Kirby Puckett homered twice and drove in five runs to lead a 16-hit attack, and Allan Anderson broke his eight-game losing streak. Anderson won for the first time in 12 starts since May 14, allowing six hits and walking none.

Tigers 3, Rangers 2: Sparky Anderson gained his 1,800th victory as Mike Heath hit a two-run homer for the Tigers in Detroit. Anderson is the 10th major league manager with 1,800 victories.

Reds 2, Mets 1: In Cincinnati, Norm Charlton won his first start in two seasons and Eric Davis had a pair of RBI doubles for the Reds. Charlton, in his first start since Oct. 1, 1988, allowed two hits and struck out five in six innings.

Cubs 5, Dodgers 1: Steve Wilson pitched the first complete game of his career, and Dave Clark and Andre Dawson each drove in two runs for the Cubs in Chicago. Wilson gave up six hits, struck out 10 and did not walk a batter.

Padres 4, Pirates 1: In Pittsburgh, Ed Whitson extended his seven-year winning streak against the Pirates, and Eddie Williams, Tony Gwynn and Jack Clark had homers for the Padres.

Whitson allowed four hits in seven innings and improved his career record against Pittsburgh to 10-3.

In Saturday's games:

Dodgers 7, Cubs 0: Mike Morgan pitched a three-hitter, and Kal Daniels hit two three-run homers in Chicago.

Pirates 8, Padres 4: R.J. Reynolds and Sid Bream hit two-run singles as the Pirates broke an eighth-inning tie in Pittsburgh.

Braves 3, Expos 2; Expos 6, Braves 2: Dennis Boyd pitched seven shutout innings and Mike Fitzgerald drove in three runs as Montreal got a split of the doubleheader in Atlanta.

Tommy Gregg's three-run homer in the eighth gave Atlanta the victory in the opener.

Cardinals 2, Giants 1: Terry Pendleton and Willie McGee hit RBI singles in the eighth to boost the Cardinals in St. Louis.

San Francisco's Trevor Wilson had a no-hitter through 6⅔ innings before Tom Pagnozzi singled.

Mets 6, Reds 3: In Cincinnati, David Cone struck out 10, becoming the first New York pitcher since 1988 to reach double figures in three straight games. He scattered five hits over 7⅓ innings.

Phillies 12, Astros 8: Dickie Thon had a homer among three hits, and Philadelphia set a club record with nine runs in the fourth in Houston. The Phillies finished with 17 hits, including three each by Von Hayes, Steve Lake and Len Dykstra.

Orioles 3, Twins 2: In Baltimore, Phil Bradley's RBI single with the bases loaded in the 11th scored Mike Devereaux to lift the Orioles. Devereaux led off with an infield hit, moved to second on Billy Ripken's single and to third on Steve Finley's bunt.

Athletics 3, Brewers 1: Bob Welch won his 14th game — best in the majors — and Jose Canseco hit his 24th home run for the Athletics in Oakland, California. Welch gave up five hits, an unearned run and struck out eight in 7⅓ innings.

White Sox 8, Yankees 7: In New York, Ron Karkovice homered with one out in the 10th to boost the Cubs, who blew a 7-0 lead.

Royals 2, Red Sox 1; Red Sox 8, Royals 7: A three-run pinch-hit homer by Ellis Burks capped a five-run eighth and gave the Red Sox a split of the doubleheader in Boston.

The Royals won the first game on RBI singles by Willie Wilson and Bill Pecota. Roger Clemens pitched seven shutout innings for Boston.

Rangers 5, Tigers 3: In Detroit, Nolan Ryan won his 298th game, but left after 5⅔ innings when his back tightened up, and Rafael Palmeiro drove in two runs for the Rangers.

Angels 8, Blue Jays 7: Brian Downing's ninth-inning homer, his second solo shot off Duane Ward, snapped a tie in California. Dave Winfield and Dante Bichette also homered twice for the Angels.

Indians 3, Mariners 0: In Seattle, Bud Black and Doug Jones combined for a five-hit shutout, Cleveland's second this year against the Mariners. Cory Snyder homered for the Indians. *(AP, UPI)*

BASEBALL ROUNDUP

SIDELINES

Woosnam Takes Scottish Open Golf

GLENEAGLES, Scotland (UPI) — A final round 3-under-par 68 gave Ian Woosnam of Wales a four-stroke victory in the $720,000 Scottish Open and consecutive victories on the European Tour.

Woosnam finished with a 15-under-par 269, four strokes in front of Mark McNulty of Zimbabwe and six ahead of Gordon Brand Jr. of Scotland and Malcolm Mackenzie of England. *(See Scoreboard.)*

Capriati Wins Her First Pro Title

CONWAY, New Hampshire (AP) — Jennifer Capriati won her first pro tennis title Sunday with a 6-3, 3-6, 6-3 victory over Ros Fairbank in the Mount Cranmore International. Before this event, the 14-year-old American made an impressive European debut by reaching the Wimbledon quarterfinals and the French Open semifinals.

- In Tokyo, Gabriela Sabatini of Argentina won the women's singles title, and the American Pete Sampras took the men's crown in the Gunze World tennis tournament. *(See Scoreboard)*
- In Gstaad, Switzerland, Martin Jaite of Argentina defeated Sergi Bruguera of Spain, 6-3, 6-7, 6-2, 6-2, in the Swiss Open.
- In Bastad, Sweden, Richard Fromberg of Australia won the Swedish Open with a 6-2, 7-6 victory over Magnus Larsson. Sandra Cecchini of Italy defeated Csilla Bartos of Switzerland, 6-1, 6-2, for the women's title.

Edberg Defaults With Sore Knee

TOKYO (AP) — Stefan Edberg, the Wimbledon champion, retired from a match in the Gunze World tennis tournament on Saturday after suffering an injury to his left knee.

While trying to return a shot to Jaime Yzaga of Peru, Edberg, who won the first set, 6-2, slipped and dropped his racket on the court. His foot apparently hit the racket and he fell on the artificial surface.

Atsushi Iwamoto, the doctor who treated Edberg, said it was a only a bruise and that Edberg would be able to start practicing again in a few days.

For the Record

The United States won its third straight lacrosse world series championship Sunday with a 19-15 victory over Canada in Perth, Australia. Americans Roddy Marino and Kevin Cook scored four goals each. *(AP)*

Graham Taylor, who took Aston Villa to the runner-up spot behind Liverpool in the English first division last season, has accepted a four-year contract to replace Bobby Robson as manager of the national soccer team, the English Football Association announced Sunday. *(AP)*

Kelly Wonders: Can He Ever Be a King Again?

By Samuel Abt
International Herald Tribune

MILLAU, France — This was not the long-awaited day for Sean Kelly, the man who was and would again be king, even if just for a day, if that day occurred in the Tour de France.

For the rider who ranked for years at the top of computerized standings of the world's 600 best professionals, it's been a long while since he stood on the victory podium in the Tour. To be exact, he recorded the last of his five stage victories in 1982.

Now, at age 34 and in the last few years of his career, Kelly is running out of time.

In Sunday's stage over 205 kilometers (127 miles) of open, rolling and pleasantly nondescript country through the Massif Central, Kelly, who rides for the PDM team, finished far back.

The stage was won by Marino Lejarreta, a Spaniard with the ONCE team, in 5 hours, 12 minutes, 3 seconds. Twenty-four seconds behind him was Miguel Indurain, a Spaniard with Banesto, who was a second ahead of Gianni Bugno, an Italian with Chateau d'Ax. Raul Alcala, a Mexican with PDM, was fourth.

Then came the two favorites — Erik Breukink and Greg LeMond — as LeMond finished fifth. Their only real remaining challenger, Pedro Delgado, recorded the same time as Breukink and LeMond, 34 seconds behind Lejarreta.

Breukink and LeMond went on a long breakaway Saturday and made up nearly five minutes on the overall leader, Claudio Chiappucci, an Italian with Carrera. He lost 14 more seconds to them Sunday and is ahead of Breukink by just 1:49 and LeMond by 2:21.

Seeking to damp down speculation that the 77th Tour de France has become a two-man battle between Breukink and himself, LeMond said Sunday that he regarded Delgado as a major threat. The Spaniard won the Tour in 1988 and is always strong in the Pyrenees, which the race reaches Tuesday.

This was a day for the second-ranked riders, however, not for the contenders. From the start in Le Puy en Velay to the finish on a steep climb in Millau, riders far down in the overall standings set the pace. Only with four kilometers to go did the pack, pulled along by LeMond, swallow the early and obscure leaders.

In many ways this was ideal territory for an attack by Kelly, who ranks 23d overall in elapsed time, but he did not find the opportunity. He remained hopeful that he will before the race ends.

"This year I have more of a chance for victory because I'm a long way down the general classification," Kelly explained.

What he meant was that, like Sunday, riders who are so far behind that they offer no challenge to the leaders are allowed to take their chances in a breakaway. Even if they win by a big margin, their time deficit is still huge.

There was a time, Kelly knows, when he never could have based his tactics on the fact that he was no threat.

King Kelly he was called in the European press through the mid-1980s, when he dominated the sport. He swept the classics, or one-day races, and rode strongly in most stage races, but some other sprinter always beat him in the Tour de France.

AP

Sean Kelly, running out of time.

The Irishman admits that he no longer has a sprint.

"Last year was the same situation," he said. "I'm not as fast as I was and there are some very good sprinters who've come along the past two or three years."

He brushed off a question whether age had cost him his sprint, that ability to race fearlessly at speeds up to 70 kilometers an hour over the final 250 meters.

"First of all," he said, "you don't work at something, you lose it and definitely the sprint is something I don't work at.

"Secondly, if you ride in the mountains always at the front, it takes effect on your sprint. The sprinters always stay behind and take it easy in the mountain stages and then, on the flat stages, they're there."

"You have to take those things into account," he concluded without a trace of asking for pity.

Pity has never been Kelly's way. A farm boy and former bricklayer from Carrick-on-Suir in Ireland, he came to France as a teenage amateur rider and served a long and anonymous apprenticeship.

He is known for his work ethic and acknowledges now that the 170 races a year he used to ride, 30 or 40 more days than other professional bicyclists, cost him power in the Tour de France. His best finish was fourth place in 1985.

This year he is no longer the leader of PDM, which Breukink and Alcala head. The Irishman even fetched water bottles, or bidons as they are called, for them from the team car during the long and strenuous climb to Alpe d'Huez last week.

That is usually the work of the lowest-rated riders. Typically, Kelly made light of the work.

"There were four of us in the front and the guys who usually get the bidons weren't there," he said. "I decided that somebody had to fetch the bidons and I decided to do it quickly."

He does not add the temporary demotion to his list of regrets in the sport, because he has no such list.

"I served my time as a bricklayer," he said, "and if I hadn't become a rider, I'd probably still be a bricklayer. In bike racing I've done very well, I've made a name for myself, I've made a lot of money and I don't regret anything at all."

Avoid being overcharged when you're overseas.

Start using MCI CALL USA℠ and stop paying excessive hotel surcharges. With CALL USA, you'll always save money. One toll-free call connects you instantly to an English-speaking MCI operator who will complete your call anywhere in the U.S. Call collect, or save even more by using your MCI Card® or your local telephone company card.

So next time you're overseas, avoid being overcharged. Use MCI CALL USA instead. For more information, or to order your MCI Card, call us in the U.S. at 1-800-888-0800.

MCI CALL USA℠

Australia	0014-881-100	Guam	950-1022
Bahrain	800-002	Hong Kong	008-1121
Belgium	11-00-12	Italy	172-10221
Bermuda	1-800-623-0484	Japan	0039-1211
Brazil	000-8012	Netherlands	06*-022-91-22
Chile	00*-0316	Singapore	800-0012
Colombia	980-16-0001	Sweden	020-795-922
Denmark	8001-0022	Switzerland	046-05-0222
Finland	9800-102-80	Taiwan-Special Airport Phones**	
France	19*-00-19	United Kingdom	0800-89-0222
Greece	00-800-1211		

To get a free MCI Card® in the US, call 1-800-888-0800.

*Wait for second dial tone **Taipei & Kaohsiung Airports Available in most major cities ‡Wait for voice prompt

Maurice Girodias: Turn to Page 64

By Alan Furst
International Herald Tribune

THE last day of a hot August in the late 1950s, Pier 51 in Manhattan. The Rotterdam, a student ship, has just docked. A genial chaos of teenagers, friends, parents, is milling about, the summer-in-Europe crowd is back. Tan and fit after bicycling in Burgundy and kayaking on the Rhine, the returning teenagers are still vibrating from Europe: the cathedrals, the castles, the boy called Hans, the girl named Gabrielle. In the crowd, two 15-year-old boys; one's just disembarked, the other's come to meet him. They're good friends, but this meeting has been carefully contrived by postcard. The traveler glances left and right, undoes two buttons of his Brooks Brothers shirt, illicit items disappear into the other friend's paper bag. An act of smuggling has been consummated.

Two paperbacks, "Tropic of Cancer" and "Tropic of Capricorn," written by *someone named Henry Miller*, published by Olympia Press, available only from certain small bookstores in naughty Paris. These 15-year-old boys are like all the other 15-year-old boys that ever lived: Mostly they think about only one thing and Henry Miller is said to write about that *particular thing in truly daring fashion.* The European traveler's eyes glow with appreciation that approaches worship. "Page 64," he says.

Travelers Companion was the name of the imprint issued by Olympia, and the irony was fully intended: Henry Miller's books had been published in order to be smuggled. The proprietor of Olympia Press, Maurice Girodias, was buried last Thursday in Paris's Père Lachaise cemetery; his epitaph — also the title of his autobiography — "Une journée sur la terre." A day on earth. For Maurice Girodias, a rich, full day.

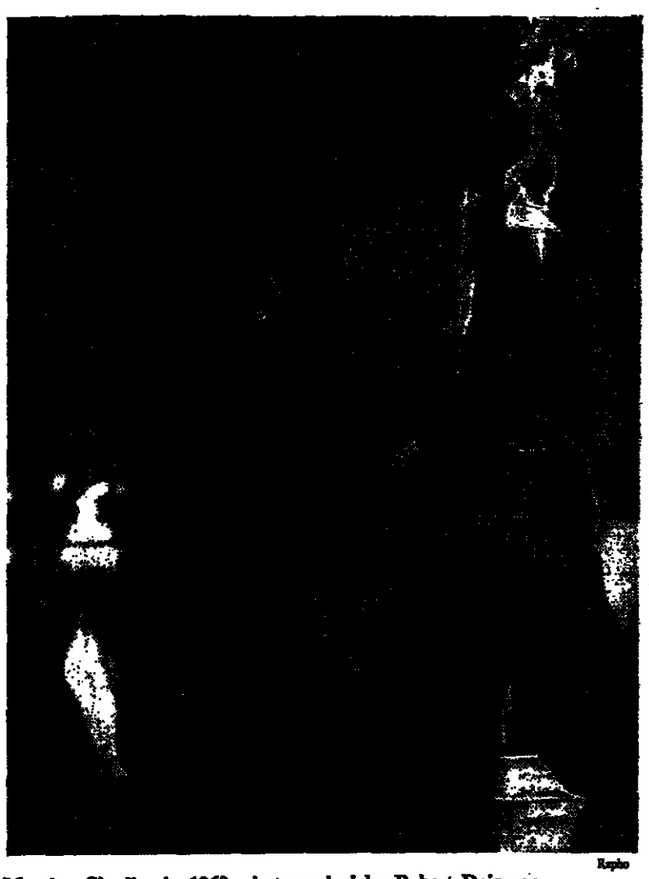
He raised hell every minute of it. The French government arrested him 40 times, they banned him from publishing for 90 years. He made fortunes, and went bankrupt. When a journalist asked him how many times, he replied, "That's like asking a pretty woman her age." He'd never admit to five or six bankruptcies — Germany, England, two in France, two in the United States. He never went bankrupt in Italy and was proud of it. He called himself "a bum, a vagrant, an obsessive drinker." He was pursued by what he called "smut hounds" in Scotland and, to his utter delight, "banned in Denmark!" He was busted for marijuana in the United States, set up, he claimed, when a 6-foot-tall shipping heiress slipped it into his pocket during a midnight embrace on a New Jersey dock and a policeman just happened to be passing by. He'd fled to America in his late 50s after being banned in France. Once there, he married a Cabot.

He published what he liked to call "DBs," dirty books: "Thongs," "Desire and Helen," "Candy," "White Thighs" and "The Sex Life of Robinson Crusoe." When the French government, in the early '60s, began to censor DBs, Girodias discovered they were proceeding alphabetically and so altered his titles, turning "Desire and Helen" into "Helen and Desire" and "Candy" into "Lollipop" — here was a publisher who knew how to extend shelf life.

He titled the first installment of his autobiography "J'arrive!" It didn't mean he'd arrived. He decided to smuggle some DBs into the Soviet Union, starting with "Moscow Nights," which had just been smuggled out. It was a replay of the Travelers Companion method of the '50s. "This time," Girodias said, "the books will find their way into circulation after we sell them to Russian sailors in Helsinki." They were immediately dubbed "the vulgar boatmen."

In 1940, when the Nazis occupied Paris, the half-Jewish Maurice Kahane took the name of his French Catholic mother and fooled the Gestapo — though he himself has been the victim of a con man, a few days earlier, who'd sold him 10,000 francs worth of pickled celery hearts. In 1964, he opened a nightclub in Paris, with a balalaika orchestra and a 92-year-old Russian chef who'd cooked at the prerevolutionary Aquarium restaurant in Petrograd. There Girodias staged a dramatic version of the Marquis de Sade's "Philosophy of the Bedroom," a book at that time sold under the counter in France, which Girodias described as "completely obscene" and "Sade's filthiest." The police promptly shut him down.

And yet, with all this, Maurice Girodias was one of the great publishers of the 20th century. He published Henry Miller, Samuel Beckett, Jean Genet, William Burroughs, Lawrence Durrell, suppressed sections of J.P. Donleavy and — his greatest triumph — Vladimir Nabokov's "Lolita," at a time when other publishers wouldn't touch those writers. Like his father before him, Jack Kahane, who founded Obelisk Press and published "Tropic of Cancer" and Durrell's "Black Book," fragments of Joyce and Frank Harris's "My Life and Loves," Maurice Girodias published whatever he wanted. He just wouldn't quit.



Keplio

Maurice Girodias in 1960, photographed by Robert Doisneau.

Girodias himself said he had a *vocation d'emmerdeur*, well beyond a "troublemaker." His brother, Eric Kahane, (the playwright, under a pseudonym, of "Philosophy of the Bedroom") says "He felt it was a matter of, oh, call it freedom. Girodias believed that people are old enough, wise enough, call-it-what-you-will enough to make up their own minds and read what they want. Olympia Press was a good way of making money and saying to hell with you to the whole world." Of course the world said it back, as the world will, and Maurice Girodias was banned and arrested and chased out of town and all the rest of it.

He was no saint. Nabokov didn't actually send him the manuscript of "Lolita" — which Eric Kahane translated into French. According to Kahane, "he got a copy of the manuscript somehow, and decided it was a masterpiece — the book had been turned down by everyone."

Toward the end of his life, Girodias, "completely broke," found that the times had passed him by. The sexual revolution of the '70s saw the publication of DBs that made "The Sex Life of Robinson Crusoe" look like "The Swiss Family Robinson."

On the night of July 3, Eric Kahane got a call from a Paris radio station where his brother had been giving an interview. He arrived to find the 71-year-old Girodias dead, lying on the floor, the victim of an *apparent heart attack.* In Girodias's apartment, Kahane discovered "he had been working with something, something made of bits and pieces of metal, he had it all torn apart on the carpet. He'd told me he was trying to build a perpetual-motion machine."

Maybe he did build it. The 15-year-old kid on the Manhattan pier liked Page 64 well enough, but there were lots more pages, and the rough, joyous world of bohemian Paris in the 1930s stayed with him. Eventually, he became a writer himself.

Maurice Girodias lived a big life; funny and crazy, boisterous, troubled, sleazy and magnificent. It's maybe not the sort of life that gets lived anymore, maybe much to all our sorrow.

LANGUAGE

All Empowerment to Denunciation

By William Safire

NEW YORK — The energizing word among "bleeding-heart conservatives" (an oxymoron that Jack F. Kemp, the housing and urban development secretary, uses to describe himself and his followers) is *empowerment.*

The voguish political noun, coined in 1849 to mean "the gaining of power," has particular resonance among blacks.

In 1978, the conservative Heritage Foundation attributed popularization of the word to the Students for a Democratic Society in the 1960s, which, said a Heritage release, "condemned the 'Establishment' and sought *'empowerment'* for 'helpless minorities outside the system.'" The assumption is that the word grew out of the SDS slogan "power to the people."

As political empowerment was largely achieved, the word was applied to the need for economic clout. In 1976, Vernon E. Jordan Jr., then head of the National Urban League, said, "That goes to economic security, income maintenance, economic *empowerment* — the *real* basic issues of *equal* opportunity."

Everybody got into the *empowerment* act. Voter-registration groups pushed *electoral empowerment;* pediatricians espoused *parent empowerment.*

Feminists have also made it their own: in a piece about the campaign to maintain Mills College in California as a women's undergraduate school, Amy Pyle of The Los Angeles Times wrote, "*Empowerment* — buzzword of the recent protests — actually has been the theme at Mills for some time."

The word was used by some black conservatives eager to move beyond integration to equal opportunities. Many liberals saw this as a denial of their achievement, or as self-help rhetoric unhelpful to entitlements, and were slow to pick it up. "The issue was black *empowerment,* not integration," Robert L. Woodson, a black critic of social welfare bureaucracies, insisted in 1985; he helped popularize the word among conservatives.

In a 1990 Rose Garden awards ceremony, President Bush said, "Each of these seven Americans provides a definition of the word that *I* have learned to respect so much, learned from Jack Kemp — *empowerment.*"

Since Kemp has apparently become "Mr. Empowerment," at least in the Bush administration's corridors of power, I called him to get his short definition of the term. Not a man given to brevity, he worked on it for a while, cutting his definition down to this: "Giving people the opportunity to gain greater control over their own destiny through access to assets of private property, jobs and education."

This *is* a word that has crept up on lexicographers; because *empower,* the verb, has deep roots in the language, its usage as a political noun in recent decades was not noted. "We didn't regard it as anything that needed watching," says Cynthia Barnhart, a dictionary editor at Barnhart Books. "Then all of a sudden it started coming in."

Now we're all keeping an eye on it; obviously, *empowerment* is potent.

□

The Senate Ethics Committee's special counsel, in charging Senator Dave Durenberger of Minnesota with, among other lapses, padding his expense account, called for a *punishment of denouncement.*

This word is the noun form of the verb *to denounce,* which has a niche between "*to criticize*" and "to censure," and is closest in synonymy to "publicly to condemn, usually in a loud tone of voice." *Denouncement* was first used in 1544, and nobody can deny the noun its place in the backwaters of our vocabulary.

However, I rise here, Mr. President (that's how you talk in the Senate), *to reprehend, proscribe, reprobate* and even *damn* its use by my distinguished colleagues when another word has triumphed over it in common English usage.

The more familiar noun form of *denounce* is *denunciation.* It beat *denouncement* in fair usage combat, just as *renunciation* has whipped *renouncement;* why does the Senate (rooted, like *senile,* in the Latin *senex,* "elder") insist on dredging up the archaic alternative?

One word, one meaning, is my motto; when you use an alternative form to mean the same thing, you have wasted valuable space on the hard disk of your memory, and you have blocked the development of a different meaning.

□

Dr. Scholl's uses gimpy English.

"Callous Removers" is what the company calls its product to remove the hardened, thick skin properly spelled *callus.*

"We're asked this question every six months or so," says Joanne Brown, the Scholl Inc. public relations director. "The noun spelling is *callus,* but we use the adjective in *Callous Removers,* and the adjective is spelled with an *o.*"

A lame excuse. First, the label sent to me by Charles Dahle of Greenwich, Connecticut, says to apply the "adhesive side onto the callous." That means the adjectival spelling is being used mistakenly for the noun.

Second, the too-confident flack is stubbing her toe on her parts of speech: In *callous removers,* the word *callous* is not an adjective describing the noun *removers;* only *hardhearted bankers who repossess cars might* be called *callous removers.* In the Dr. Scholl misusage, *callus* — with *a u,* no *o* — is an attributive noun modifying *removers.*

Callus, from the Latin *callum,* "hard skin," means just that — hard skin. *Callous,* same root, gives a figurative extension to the numbness: "insensitive, unfeeling" is the meaning.

□

We have been observing the increased reduplication of *is,* as in the locution of John H. Sununu, the White House chief of staff: "The fact is, is . . ." This construction, more prevalent than linguists suspected, is an unnecessary attempt to give a verb to both ends of a sentence.

Members of the Squad Squad immediately complained about the word *reduplication,* contending that should mean "three or four usages," or a repeat repeated.

Sorry, this is not like *iteration* and *reiteration;* in linguistics, logic does not always prevail.

Reduplication is the word used to describe the formation of words like *willy-nilly, higgledy-piggledy, hocus-pocus* and *razzle-dazzle.* Pure redupes are the perfectly repeated *tom-tom* and the slang term for "hurry," *chop-chop.*

Is is is both a reduplication and a mistake.

New York Times Service

TODAY'S

CAREER OPPORTUNITIES

Appears on page 4

MOVING

1992 - NOW !
interdean
INTERNATIONAL MOVERS
FOR A FREE ESTIMATE CALL
PARIS (1) 39569000
NICE COTE D'AZUR 93742121

MOVING

MARTINI TECHNOTRANS - NICE / CANNES. Tel: 93.39.43.44. Overseas Moving - Storage - Packing - Air/Sea Shipping, Car/Baggage, Clearance.

PERSONALS

THANK YOU ST. JUDE for helping us. E.C.

ALL SUITE HOTELS

JUST OPENED IN PARIS
THE ULTIMATE LUXURY
46 AVE GEORGE V
Relais CARRE D'OR
Right on the Ave. GEORGE V
Just off the CHAMPS ELYSEES
23 prestigious suites in a luxury residence offering warm hospitality in a refined and discreet atmosphere.
"Le Club de Relais" with its "Salon Gourmet" overlooking the Avenue George V, room service, a beautiful inner garden, full of charm & character, private parking facilities.
RESERVATION:
Tel (1) 40.70.05.05. Fax (1) 47.23.30.90

ANNOUNCEMENTS

TO OUR READERS VISITING FROM THE U.S.A.
THE IHT IS NOW AVAILABLE IN MANY U.S. CITIES ON DATE OF ISSUE
Now printed by satellite transmission in New York the International Herald Tribune offers same-day home or office delivery in Manhattan, most areas of Boston, Houston, Los Angeles, Miami, Philadelphia, San Francisco and Washington D.C.
Subscription copies are now flown directly to Atlanta, Chicago, Denver and Seattle for speedy mail delivery.
In the U.S.A., call TOLL FREE 1-800-882-2884
In New York, call (212) 752-3890
or write International Herald Tribune 850 Third Avenue New York, N.Y. 10022 Telex: 427 175 Fax: (212) 755-8785

TECHNICAL WRITING CAREERS
FREE INFORMATION SESSIONS THE AMERICAN UNIVERSITY OF PARIS
This graduate-level certificate program trains you to work as a writer (user manuals, marketing material) in computer fields. Prerequisite, good writing skills (computer expertise not necessary). Day or evening program in English includes internship/job placement assistance. Reserve a place for Thurs. July 26th at 18h30 or Sat. July 28th at 10h00 by phone (33-1) 47.20.44.99 or Fax (33-1) 47.20.45.64, 34, Av de New York, 75116 Paris.

LOSE WEIGHT
STOP DRINKING, STOP SMOKING
in a very exclusive private medical clinic in Germany's Black Forest - 45 min. drive from Zurich Airport. Please write: Christiana Clinic, D-7822, St. Blasien, W. Germany.
Phone: W. Germany - 7672-48010
Fax: W. Germany - 7672-48010

ALCOHOLICS ANONYMOUS English speaking meetings daily. Tel: PARIS 46 34 59 65 or ROME 678 0220.

REAL ESTATE FOR SALE

FRENCH PROVINCES

LOIRE VALLEY 1.30 hr Paris, renovated XVII century house, lounge, living, modern kitchen, 2 bedrooms, attic, garden, Gazebo, waterfall. 3831 1649

GREECE

AEGEAN ISLAND OF IOS, luxurious, fully furnished villa, 3 bedrooms with bathrooms, unique site with panoramic view + 11,000 sq.m. of land. Call Athens 32 36 720 or 32 41 928

PARIS & SUBURBS

SEVRES - MEUDON, House near transports, forest, int'l school, 450 sqm. land, 180 sqm. living space, 9 rooms, cellar, garage, south facing garden, F4,500,000. Tel: (1) 45341112

MONTPARNASSE, 'Le Coupole' building, 95 sq.m., 4 rooms, 8th & last floor + 70 sq.m. terrace, garage. Rare. F4,000,000. Tel (1) 43 20 77 07

SPAIN

MARBELLA, 6 km West of Puerto Banus, plot of land with plans and building licence approved for a nursing home, clinic or aparthotel with 42 bedrooms. For details please phone: 34-52-81 07 95 - Fax: 34-52-81 10 90

REAL ESTATE TO RENT/SHARE

GREAT BRITAIN

KNIGHTSBRIDGE £59/night serviced luxury flats beside Harrods. From £33 in Kensington. Oxbridge Apartments Tel: 071 838-1611 Fax: 071 373-0036.

REAL ESTATE TO RENT/SHARE

GREAT BRITAIN

KENSINGTON, 2 beds, luxury new penthouse £390/week. Long let. Tel: 071 835 1611 Fax 071 373 0036.

MONACO

CENTER OF MONTE CARLO
SUPERB 4 ROOM APARTMENT
For rent prime location opposite the famous Casino in a luxury building nearing completion large living area fully equipped kitchen, 3 bedrooms, 3 bathrooms, dressing, with independent studio apartment.
UNIQUE VIEW of CASINO GARDENS AND MEDITERRANEAN
For further details please contact
AGEDI
26 Bis, Bd Princesse Charlotte MC 98000 MONACO
Tel: (33) 93 50 66 00 Telex: 479417MC
Fax: (33) 93 50 19 42
ER Residential

PARIS AREA FURNISHED

Rent a FLAT or an OFFICE in Paris. By day or more. With all possible hotel services. Housekeeping, room service...etc. Studio up to 5 rooms.
FLATOTEL TOWER
on the River Seine, right beside the Eiffel Tower.
FLATOTEL EXPO a few meters from the exhibition center Porte de Versailles.
For more information Call (1) 45 77 05 55

74 CHAMPS ELYSEES
LE CLARIDGE
FOR 1 WEEK OR MORE
high class studio, 2 or 3-room apartments. FULLY EQUIPPED IMMEDIATE RESERVATIONS
Tel: (1) 43 59 67 97

AGENCE CHAMPS ELYSEES
11, rue de Colisee, Paris 8th
Renting from studios to 5 rooms
Residential areas. Long or short term.
TEL: (1) 42 25 32 25

REAL ESTATE TO RENT/SHARE

PARIS AREA FURNISHED

AT HOME IN PARIS
2 MONTHS TO 3 YEARS
apartments for rent furnished or not
PARIS PROMO
Real Estate Agent - Property Manager
25 Ave Hoche, 75008 Paris. 45 63 25 60

INTER URBIS
UNFURNISHED/FURNISHED RENTALS
FLATS & HOUSES FOR SALE
31 rue de Monceau, Paris 8th.
Tel: (1) 45 63 17 77

RESIDENCE CITY
THE VERY BEST RENTALS
Phone Paris (1) 45 27 12 19

EXCLUSIVE FURNISHED RENTALS
FIRST IN QUALITY AND SERVICE
Bilingual staff
Tel: 1-47 53 86 38. Fax: 1-45 51 75 77.

PARIS BIENVENUE. Furnished studios & apartments in central Paris, nightly, weekly, monthly. Chauffeur available to & from airport. (1) 47 53 80 81.

16th LA MUETTE. Calm, charming 1½ bedrooms in beautiful area near park, metro, shops. For 6-12 mos. F7,500/mo. Call 45 25 68 29.

7TH, BOSQUET Very lovely modern living, dining, 2 bedrooms, 2 baths, well equipped kitchen, large balconies, sunny, garage, F17,000. (1) 47205777.

NEUILLY Metro Sablons, extremely charming living, 2 bedrooms, eat-in kitchen, well decorated and equipped, sunny, quiet, F9,000. (1) 47205777.

HIGH STANDARD furnished apartments, best areas from 3 months to 3 years. Exclusive Tel: 1 - 47 53 86 38.

13th, HOUSE IN ARTIST VILLAGE, living, 3 beds, bath, 2 terraces, calm, sun, charm. Tel (1) 42 61 25 15

AVE. MATIGNON. Newly redone sunny 1-bedroom flat, separate kitchen free 16/7, long/short let. 47.66.13.36

5th, MOUFFETARD charming, sunny modern, studio. Phone. $975/mo. Short/long term. Tel (1) 4322 2617 ans

15TH, living + equipped kitchen, bedroom, close, quiet, garden, sun. F7900 net. 45670458

15th, 10 MIN EIFFEL TOWER, high class, magnificent view of Seine, 1 bedroom. F9,500 net. (1) 4579 7224

REAL ESTATE TO RENT/SHARE

PARIS AREA FURNISHED

15TH, PASTEUR nice equipped apartment, 3 rooms, F2,000/week or F7,000/month. Tel: (1) 43063492

4TH, MARAIS Charming large living, bedroom, nice kitchen and bath, newly redone, sunny, F6,500. (1) 47205777.

16th, ETOILE Beautiful living, + 2 bedrooms, well equipped kitchen, large bath, F9,000. (1) 47205777.

6TH, RUE DE SEINE adorable studio, kitchen + bath, well equipped, quiet. F4,500. Tel: (1) 47 20 37 99.

PARIS AREA UNFURNISHED

Embassy Service
8 Ave. de Messine
75008 Paris
YOUR REAL ESTATE AGENT IN PARIS
45.62.30.00
FAX 42.89.21.54

VILLENES, 20 MIN WEST PARIS
Superb Italian style estate on 5,000 sq.m. landscaped garden. Close shops, 15 min drive Int'l school. Large living, 2 fireplaces, 4 bedrooms, fitted kitchen, 2 baths, laundry, 2-car garage. Available now. OWNER (1) 3975 8132

8th, NEAR MONCEAU, nice ARTIST ATELIER, 100 sq.m. in duplex, bedroom, bathroom of first level, excellent condition, all comforts, full light, 4/5th floor, no lift, F13,900/month. Tel: (1) 47 41 27 65 (mornings) or 45 24 38 23

EXECUTIVE RELOCATIONS helps you find accommodation in Paris. Save your time, get best conditions. 3 rue Berryer, 75008 Paris. Tel: 40 74 00 02.

17th PORTE MAILLOT. 32 sq.m. studio, kitchenette, bath, in service flat (club, bar, restaurant). 45 74 04 27

SWITZERLAND

LAUSANNE, HIGH CLASS, furnished 100 sq.m. flat, nice area, view on lake. FS2,500 monthly. Tel Paris (1) 4632 9188 or Lausanne (21) 3265 34pm

REAL ESTATE WANTED/EXCHANGE

WANTED August 11-26, a high quality accommodation (2 bedrooms minimum) in the Beverly Hills, Santa Monica or Malibu areas. Call 33-1-42271086.

REAL ESTATE WANTED/EXCHANGE

SEEKING 2-ROOM FLAT in Paris 5-6-7th from Aug. '90 thru June '91. F6,000/mo. Call 42 67 85 28 pm.

EMPLOYMENT

EXECUTIVE POSITIONS AVAILABLE

ASSOCIATE PUBLISHER

WHERE MAGAZINES, part of an expanding international network of visitor magazines, has an exciting opportunity for a hands-on, sales oriented leader. In addition to thriving on challenge, you will:

- have proven magazine ad sales experience,
- possess a successful management style,
- be a French national and fluent in both French and English,
- be committed to building a strong team,
- have an excellent knowledge of the Paris market place

A competitive salary package will be based on experience.

Send your CV in strictest confidence, no later than August 15 to:

John Holloway
Where Publications
Fenton House
55-57 Great Marlborough Street
London W1V 1DD

GENERAL POSITIONS AVAILABLE

SALES CONSULTANT. For the DHI Int'l Medical Group. Five years experience necessary, bilingual French & English, able to travel extensively, insistor, ambitious, good appearance. Excellent pay + commission. Management & franchise opportunities. Work in London, Paris & Geneva. Please mail CV & photo to: DHI Medical Group, 17 Amerika str., Athens 106 72 Greece or DHI, 37 Devonshire place, London W1N 1PE U.K.

GENERAL POSITIONS WANTED

AMERICAN WOMAN, 23 with B.A. in political science and French, knowledge of Spanish, seriously seeking employment in Madrid. Please call Stephanie (34 - 1) 650 08 65.

YOUNG FRENCH LADY, personal assistant, well educated, reliable, perfectly bilingual English-French, free to travel. Tel: Paris (1) 46 51 42 30

YOUNG WOMAN, experience, good appearance seeks job as PR with businessman. Will travel. (1)4764744

SECRETARIES AVAILABLE

MATURE EXECUTIVE ASSISTANT fluent French, English. Excellent presentation, commercial, banking & PR experience at high level, able to run small office or join dynamic team, seeks responsible position. Mrs Kramer Paris 46379492 office, 48931703 home.

AUTO RENTALS

CENTURY SELF DRIVE
New cars - Unlimited mileage

RENAULT 5	F	990/week
RENAULT CLIO	F	1,090/week
PARIS/OPERA	(1)	42 61 68 68
ORLY AIRPORT	(1)	46 87 18 68
C.D.G. AIRPORT	(1)	34 29 80 08
NICE AIRPORT		93 21 11 18
LYON		78 95 44 88

AUTO SHIPPING

TRANSCAR 17 av de Friedland, 75008 Paris. Tel 4225 6444, Nice 9221 3550. Antwerp 233 9985, Cannes 9339 4344

FINANCIAL SERVICES

I.O.S. TRADERVISION FRANCHISE Proven 6 years average + 261%. Fax: FRANCE (33) 32 67 79 85.

OFFICE SERVICES

FULLY EQUIPPED OFFICES
On short or long term hire basis, conference rooms, domiciliation, mail, telex, fax.
ACTE PARIS
Fg St Honoree - St Augustin - Boetie - Franklin Roosevelt.
TEL: (1) 43 59 77 55

AUTOS TAX FREE

TRASCO BREMEN. Tax free new and used Alfa, Audi, BMW, Ford, Mercedes, Opel, Porsche, Volkswagen, Volvo. Steindamm 38, 2820 Bremen 77, Germany. Tlx 244624. Fax: (0421/630205. Tel: (0421/633044.

TRASCO BREMEN Mercedes + Audi Armored cars & stretched limousines from stock. Steindamm 38, D-2820 Bremen 77 Germany. Tlx 244624. Fax: (0421/630205. Tel: (0421/633044.

AUTO SERVICES

LICENSE PLATES expired? Fast solution: Pinehon Ltd. BOX Box 49, LONDON WC1N 3XX, UK. (71-404 5011; fx 081-8469913. We also insure cars at once.

BUSINESS MESSAGE CENTER

ATTENTION EXECUTIVES
Publish your business message in the International Herald Tribune, where more than a third of a million readers worldwide, most of whom are in business and industry, will read it. Just telex us (Paris 613595) before 10 a.m., assuring that we can telex you back, indicate which major credit card you wish to charge it to, the number and expiration date, and your message can appear within 48 hours. Please also include your address and telephone number for our files.

BUSINESS OPPORTUNITIES

OFFSHORE COMPANIES
TRUSTS
INSURANCE COMPANIES
BANKS
We are ten years established in providing offshore services to companies engaged in all types of businesses.
ASTON CORPORATE MANAGEMENT
19, Peel Road, Douglas, Isle of Man.
Tel: 0624 26591 Tlx: 627691 ASTON
Fax: 0624 25126
Premier House, Westminster, London. Tel:(1) 222 8866 Fax:(1) 233 1519.

BUSINESS OPPORTUNITIES

INTERNATIONAL OFFSHORE COMPANY INCORPORATIONS FROM US$150
Comprehensive professional service include nominees,
Representative offices,
Powers of attorney, telex, telephone
Fax, mail forwarding worldwide
Inland Resources
National House,
Sexton, Isle of Man.
Phone: 0624 824555
Tlx 628532 Inland G. Fax: (0624) 823949

IRISH NON-RESIDENT COMPANIES £175
Ideal tax-avoidance vehicles, low profile, tax free & European. Suitable for trading, consultancy and other activities. For immediate service contact, Eilish Murphy, Sovereign Company Services, 3 Fitzwilliam Place, Dublin 2, Ireland, Tel: Dublin 618490 Fax: 618493.

GIBRALTAR COMPANY FORMATION
Full confidential and professional services. Gaulstead Group, P.O. Box 609, Gibraltar. Tel: 350-79013. Fax: 350-70101, Telex: 2110 G Group GK.

HONG KONG CORP., $415. Annual cost $398. SE Ltd. 701 35 Queen's Rd, HK. Tlx 83870. Fax 852-840-0217.

2ND TRAVEL DOCUMENTS. ID-drive licences-any country. GM, 26 Klisseris Athens 106-75 Greece. Fax 7219080

BUSINESS SERVICES

LONDON ADDRESS BOND STREET. Mail, Phone, Fax, Telex, Conference room. Call 071-499-9192. Tx 262690.

BUSINESS SERVICES

YOUR OFFICE IN TOKYO
You can establish, promote and expand your business in Japan only if you are presented on the market directly by a company that takes care of your interests. Our company supplies Representative or Sales Promotion Offices services in Japan/Far East on service agreements. You do not have to open your own office, our company and staff will take care of your interests and handle communication with your agents or distributors like an own branch office. Correspondence in English, German, Japanese and Korean. Please contact TAUSE Int'l KK Tokyo, Japan. Fax: 760-2130, Tel: 760-2176

BUSINESS IN PARIS? Prestigious suite near Charles de Gaulle Airport invites int'l business executives to apply for membership. Fully equipped deluxe business, living and leisure facilities. Golf, squash, tennis, pool etc. For further information fax Paris +331 - 48 92 19 46.

LEGAL SERVICES

QUICK DIVORCE ATTORNEY legal service. Kaiserstr. 120, 6900 Heidelberg. Tel: (49) 62213220.

LOW COST FLIGHTS

ACCESS VOYAGES

	One Way	Round Trip
New York	F1295	F2595
Los Angeles	F1895	F3890
Miami	F1695	F3190
Montreal	F1000	F1890
Vancouver	F2250	F4195
Rio de Janeiro	F3195	F4995
Australia	F4510	F7990
Japan	F4195	F7595
Caribbean	F1480	F2960

and more destinations ...
Discount on 1st & business class
Rates subject to modifications
Restrictions may apply
Tel: (1) 40.13.02.02 & 42.21.46.94
Fax: 45 08 83 35
6 rue Pierre Lescot, 75001 Paris
Metro - RER Chatelet Les Halles
(Lic. 175.111)...and also
ACCESS IN LYONS
Tour Credit Lyonnais, 129 rue Servient 69003 Lyons. Tel: (16) 78 63 67 77
Book now by phone with credit card

LOW COST FLIGHTS

1ST OR BUSINESS CLASS ONLY Frequent travellers to Orient/Australia/Africa/North & South America. Save up to 50%. No coupons, no restrictions. Imperial Canada 514-341-7227

WORLDWIDE scheduled departure at the lowest ever discount economy airfares. Credit cards possible. Tel Paris: 42 89 10 81 or Fax: 42 56 25 82

ARTS

VAN GOGH. Private sale of 2 very valuable original paintings. Tel UK (0243 37453).

Page 11 FOR MORE CLASSIFIEDS

Place Your Classified Ad Quickly and Easily in the INTERNATIONAL HERALD TRIBUNE

By Phone: Call your local IHT representative with your text. You will be informed of the cost immediately, and once prepayment is made your ad will appear within 48 hours.
There are 25 letters, signs and spaces in the first line and 36 in the following lines. Minimum space is 3 lines. No abbreviations accepted.
Credit Cards: American Express, Diner's Club, Eurocard, Master Card, Access and Visa.

HEAD OFFICE
Paris: (For classified only): Tel.: (1) 46 37 93 65 Tlx.: 613595, Fx.: 46379370.

EUROPE
Andorra: 28264. Fax: 28264.
Amsterdam: (020) 730 757.
Athens: 6535246. Tlx.: 218344 IBS GR. Fx.: 7249508.
Bergen (Norway): (05) 913070.
Brussels: 343-1899, 343-1914. Fax.: 346 03 53.
Copenhagen: (45) 31 42 93 25.
Dublin: 797600. Fax: 797621.
Edinburgh: 557 32 95. Fax: 557 56 50.
Frankfurt: (069) 72-67-55. Tlx.: 416721, Fx.: 727310.
Helsinki: 647412.
Istanbul: 1494509. Tlx.: 26388 ODVI TR.
Lausanne: (21) 28-30-21. Fx.: (21) 28-30-91.
Lisbon: (351-1) 347 72 93. Tlx.: 66885 INTERO P. Fx.: 2477352.
London: (071) 836-4802. Tlx.: 262009, Fx.: 2402254.
Madrid: 555-3306/555-2891.
Milano: 5462573.
Stockholm: (08) 7172205. Fx.: (08) 7174611.
Tel Aviv: 03-455 559. Fx.: 972-3-5468168.
Vienna: Contact Frankfurt.

NORTH AMERICA
New York: (212) 752 3890. Toll free: (800) 572 7212. Tlx.: 427 175. Fax: 755 8785.
Chicago: (312) 201-9393. Fx: (312) 201-9398 Toll free: (800) 535-6208.
Houston: (713) 627-9930. Tlx.: 910-881-6296. Fx.: 713-627-9191. Toll free: 1-800-526-7857.
Los Angeles: (213) 850-8339. Tlx.: 650 311 7639. Fx.: 2138518537. Toll free: (800) 848-4739.
Toronto: (416) 585-5485. Tlx.: 06-219829. Fx.: 416 5855275. Toll free: (800) 387-9012.
Honolulu: (808) 735-9188 Fx.: (808) 737-1426

AFRICA
Tunis: 710 797.

SOUTHERN AFRICA
Bryanston: 706 14 08.

LATIN AMERICA
Bogota: 236 9747 - 256 6096.
Buenos Aires: 313 33 31
Caribbean: based in Florida. Tel.: (407) 869-8338. Fx: (407) 869-0683.
Costa Rica: (506) 240642. Tx.: 1050 BACSA.
Guayaquil: 32 81 81 - 32 52 48. Tx.: 3196, Fx: 32 12 66.
La Paz (Bolivia): (00591-2) 359842. Tx.: 3252 (TESTERBV). Fx.: (00591-2) - 358293.
Lima: 417 852.
Medico: 535 31 64.
Panama: 69 09 75.

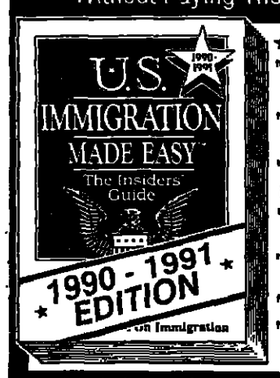
MIDDLE EAST
Amman: 62 44 30.
Bahrain: 270741.
Beirut: 341 457/8/9.
Cairo: 3459838.
Doha: 416535.
Dubai: 224161.
Kuwait: 252-3485. Fx.: 245 24 69.
Oman: 70 80 49.
Sanaa: 272-672. Fx.: 274 129.

FAR EAST
Hong Kong: 861 06 16. Tx.: 61170. Fx.: (852) 861 3073.
Bangkok: 258 32 44.
Bombay: 413 73 96.
Jakarta: 586077.
Karachi (Pakistan): 52 69 01.
Kathmandu: 221-576.
Manila: 817 07 49.
Seoul: 734 76 11.
Singapore: 223 64 78/9.
Taiwan: 752 44 25/9.
Tokyo: 504-1925.

AUSTRALIA
Middle Park: (03) 696 02 88

NEW ZEALAND
Auckland: 775 120.

U.S. IMMIGRATION MADE EASY
The Insiders' Guide
Secrets of Getting Green Cards and Visas Without Paying Thousands of $$$$$ to a Lawyer!



★ HIGHLY RECOMMENDED ★
"Highly recommended ... Instructive and explanatory" US DEPARTMENT OF STATE
"Definitely ranks among the best" UNIVERSITY OF CALIFORNIA
"A step-by-step, easy-to-use manual" Society of HUMAN RESOURCES MANAGEMENT
"A vast amount of useful information" LIBRARY JOURNAL
"Saves $500 to $8,000 in legal fees" ASIAN WEEK
"Well worth the investment" IRISH ECHO
"User-friendly, doesn't intimidate" INDIA WORLDWIDE

Inside Information! Absolutely Everything You Need to Know
COMPLETE: Families • Professionals • Businesses • Workers • Students and More
RELIABLE: Written by Expert Immigration Attorneys
EASY: Step-by-Step Instructions • Anyone Can Do It
BIG: 620 8½ X 11 pages • 100 Pages of Sample Forms

SPECIAL
REGULAR PRICE $79
Now Only $68.
PLUS SHIPPING

ORDER NOW BY MAIL OR FAX
FAX: (331) 46-37-52-12

Published by Sheridan Chandler Company
Available through the
Herald Tribune
181 avenue Charles-de-Gaulle, 92521 Neuilly Cedex, France

Payment by Credit Card Only
Please ship my order for _____ copies of *U.S. Immigration Made Easy* @ $68. U.S.D. each plus shipping. $18. Europe. $27. Outside Europe.
Please charge to:
☐ Visa ☐ Mastercard ☐ American Express ☐ Diners Club ☐ Access ☐ Eurocard
Card Number: _____ Expiration Date: _____
Signature: _____
Name: _____
Address: _____
Country _____ Telephone _____

Imprimé par Offprint, 73 rue de l'Evangile, 75018 Paris.